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The Washington Monthly

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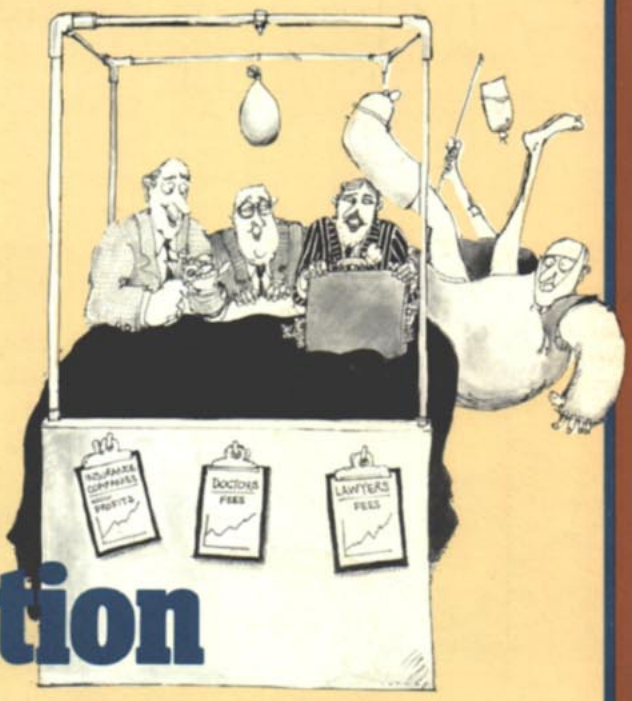

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LETTERS

Post Mortem

Your article on *The Washington Post* ["The Washington Post: Monopoly Profits and Broken Promises," Timothy Noah, January] was excellent, especially as it related to the *Post*'s coverage of local news.

I would like to add a postscript to "The Night Baseball Box Score Test": the erratic coverage in and distribution of the several editions applies to the Style section's theater and concert reviews and some news stories. Sometimes a review appears the next day, sometimes two days later, sometimes on both days, and sometimes not at all. More important, try to find a report on a meeting of the D.C. Council ending as late as 10:30 p.m. After promising to correct the practice, Donald Graham recently wrote to me, saying that consistent, regular coverage and distribution was not possible because "...the presses simply don't run at the same speeds every night." How's that for a cop-out explanation?"

JERRY KNOLL
Washington, D.C.

I've got to tell you that that piece by Timothy Noah makes less sense than anything I've read in your distinguished magazine in years.

BENJAMIN C. BRADLEE
Washington, D.C.

Benjamin Bradlee is executive editor of The Washington Post.

Last fall several of us at *The Washington Post* received calls from reporter Timothy Noah, who said he wanted to ask some questions about labor relations at the *Post*. He called at a difficult time—immediately before and after a decision by *Post* management to abandon the collective bargaining process and unilaterally impose its contract proposal on workers rather than continue to negotiate.

People were angry and resentful over the *Post*'s unwillingness to bargain, angry and resentful about the more than a year we had been in negotiations (compared to the weeks it takes to settle most contracts) and concerned about being left without a contract. Given that context, some of us were puzzled over the fact that Noah's questions centered around concerns such as whether the union should have tried to stop the *Post* from raising its ad rates two years earlier.

Mr. Noah says, "Neither side wanted to talk about the larger question: whether the *Post*'s nobler ideals were really served by having its reporters and corporate executives fret more about whether they were being paid better than their friends at other companies than about whether their company was upholding its responsibility to the people whose lives are affected by the *Post* but who aren't on the payroll."

We don't have the advantage of knowing how Mr. Noah approached management, but none of us was ever asked anything like that. Perhaps Mr. Noah was too subtle for us. I [Martha Hamilton] did suggest at one point that he may not have understood the limit on the power the union had and has at the *Post* to influence management's decisions, citing our inability at the time to even get a contract. Another thing that Mr. Noah seems to have misunderstood is how diverse a group the union represents. Reporters and editors are the only employees that he mentions.

The Newspaper Guild represents about 1,350 workers at the *Post*, of whom about 300 are reporters. Other members include advertising sales people, circulation clerks, accountants, researchers, data processors, and others. Nearly 30 percent of the people we represent earned $18,200 or less before the recent pay increase. More than 50 percent earned $26,000 or less. Mr. Noah chose to use the *Post* figure, used frequently to justify its actions, that the average reporter's salary would be raised with the pay increase to $43,500.

Mr. Noah is right—a strong, competing Washington newspaper would be good for the *Post* and the community. Most of us at the *Post*, including many in management, would be delighted to see that happen. And some of us were concerned that if the *Post* started an afternoon newspaper it might keep out an independent competitor who otherwise would be attracted to the market.

It seems fantastic, however, that Mr. Noah compares *Post* employees' lack of fervor in second-guessing a two-year-old management decision (not to start a p.m.) to police officers failing to report an assault. They are actions of different magnitudes.

On an institutional level, the guild has frequently raised concerns about the toll that too much emphasis on the bottom line can take. On the other hand, the guild is happy to see the *Post* prosper. We think the people we represent should be able to keep up with the increase in the cost of living—something we haven't been able to do in the past ten years. We also like to see the resources available to us that there are at the *Post*. Just to cite a brief example: many papers don't have enough staff to allow them to take reporters away from daily coverage long enough to do fine series such as Neil Henry's on how D.C.'s unemployed fare as migrant workers or Sandra Boodman's on involuntary confinement in Virginia.

The *Post* is a good newspaper, but even with a good newspaper, a monopoly is a bad situation. We don't disagree with that premise at all. We just find ourselves amazed by some of Mr. Noah's assertions that he offers as "proofs" of that premise.

MARTHA M. HAMILTON
ERNEST MERCER
Washington, D.C.

Martha Hamilton and Ernest Mercer are former chairpersons of the guild's bargaining committee at The Washington Post.

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The gist of Timothy Noah's article seems to be that the *Post* charges too much for its advertising and circulation; should not allow an affiliated newsprint company to spray herbicide in its woodlands; should have better metro coverage; and should have started an afternoon paper when the *Star* folded. A further theme is that our values have been corrupted. Let me answer:

1.) The *Post* is a very low-cost advertising medium. There are 19 daily newspapers published in the ten largest metropolitan areas in the U.S. The cost to a small store of reaching 1,000 readers with an ad in the daily *Post* is fourth-lowest of the 19. The lowest-rate newspaper is but 8.5 percent lower. Several are 30 percent or more higher.

2.) If we're going to talk about circulation prices, let's talk about the price most *Post* subscribers pay: $8 for four weeks, home-delivered. Some other prices: *The New York Times*, $16; the *Philadelphia Inquirer*, $9; *The Boston Globe*, $10.50; *The Chicago Tribune*, $12; *The Chicago Sun-Times*, $12.92; the *Los Angeles Times*, $10. To be fair, the Baltimore *Sun* is $7.50 and the *Atlanta Constitution* (improbably) $7.69.

3.) Bowater Mersey Paper Company, of which the Post Company owns 49 percent, does indeed spray herbicide in its woodlands in Nova Scotia under careful and closely controlled procedures. These spraying policies were contested under Canada's environmental laws last year. Another paper company, not Mersey, was the defendant. They prevailed after a trial. The judge wrote: "This court is of the opinion that these spraying operations can be carried out in safety and without risk to the health of the citizens of this province."

4.) I like our Metro coverage. No section of the *Post* has increased more in staff and space since the *Star* ceased publishing than Metro. Loretta Tofani, of the Metro staff, won the 1983 Pulitzer Prize. Mr. Peters, in his column, elsewhere in the same issue, answers Mr. Noah in part on this.

5.) No one has started a big-city afternoon paper in the United States for at least 20 years, with the single exception of the *New York News* "Tonight" edition. As far as I know, no one has started a privately owned streetcar line or a commercial oceanliner service either, for similar reasons: no one wants them badly enough to pay what they cost. In several cities where two newspapers were published for years by companies with long traditions of public-mindedness (Boston, Minneapolis, Des Moines), the companies have reluctantly decided that they and their cities will be better off if they concentrate their resources on publishing one very good newspaper. They now publish only in the morning.

The values of the *Post* have not changed since the *Star* went out of business or since the Post Company went public, or since anything else. We want to put out the best, most newsworthy, most accurate, most interesting, most everything-else newspaper we can publish, every morning of the year. For this, among other reasons, we must be a well-run business. Since our journalistic aspirations are impossibly high (and will remain so) we will often fall short. But everyone who works here will keep trying to give you the best newspaper we can. A test of our sincerity is available for 25 cents a day.

DONALD E. GRAHAM
Washington, D.C.
Donald Graham is publisher of The Washington Post.

I hope the "facts" elsewhere in your article were more accurate than those which impugned my coverage of last summer's conspiracy trial of Mary Treadwell, former wife of District of Columbia Mayor Marion Barry.

Your article said that ". . . no mention was made in the *Post*'s front-page story that Treadwell and Barry not only had once been married, but had together founded the housing project's umbrella group, Youth Pride, Inc. To unearth this important piece of information, you had to dig into a sidebar buried on page 16."

Such a claim is baseless. My article clearly states, "Treadwell's second husband was Marion Barry, another co-founder of Youth Pride and now mayor of the District of Columbia. The couple was married during part of the time when, according to the jury, Treadwell engaged in the conspiracy and made the false statements to HUD. However, the investigation did not implicate Barry in any way. The mayor declined to comment yesterday on his former wife's conviction."

KENNETH BREDEMEIER
Washington, D.C.

The author replies:

My main purpose in writing this story was not to prove that the *Post*'s sins are worse than those of other corporations, or even other newspapers; rather, it was to show how standards even as high as the *Post*'s can be partially undermined by such factors as monopoly, pressure from stockholders, and union and management greed. Because people at the *Post* ask more from themselves than most people, I hoped that my criticisms might inspire some reflection about how they can do better. Instead, Martha Hamilton assures me that the Newspaper Guild has "raised concerns about the toll that too much emphasis on the bottom line can take" without explaining why those concerns don't get translated into action in quite the same way that wage demands do. And Donald Graham assures me that the herbicide 2,4,5-T, though illegal in the U.S., is legal in Nova Scotia (I never disputed this) without explaining why the *Post*'s environmental standard is dictated not by what is right but by what the law will allow. As for the specific objections on various particulars:

Martha Hamilton accuses me of too much "subtlety" in posing the question of whether reporters should feel responsible for the way the *Post* does business. But she understood me well enough to answer that the union has little power over management decisions. I think any union that can establish an average salary for reporters at $43,500 a year must have considerable muscle. Rather than battle for needless cost-of-living

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raises, why not realize its enormous *moral* authority to get the *Post* to behave more responsibly? (If, for example, the guild is so upset at the pay that those on the lower rungs are receiving—the ad sales people, clerks, researchers, and the like—it could help things by redistributing some of the reporters' salaries to these people, and then challenge management to follow their example.) Hamilton also raises the practical concern that if the *Post* started an afternoon paper it might keep out an independent competitor who might want to enter the market. In theory, this is a legitimate worry. But in fact, the *Post* didn't start an afternoon paper—and in the three years since the *Star* folded, nobody else has either. I think it's reasonable to conclude that only the *Post*, with its presses already in place, is likely to be in a position even to consider starting an afternoon daily.

Donald Graham can boast that the *Post* has a low advertising cost-per-thousand and that circulation prices are cheaper than that of comparable papers, but the fact remains that the *Post* is still realizing huge profits. Since my article appeared, the paper reported that operating income of the Post Company's newspaper division shot up 39 percent last year, from $57 million to $79 million. Can't it be more generous in sharing the wealth with advertisers and subscribers? Graham also suggests that I think the Metro coverage is bad. But I tried to acknowledge that, at its best, it is very good; I mentioned two stories by Blaine Harden (and I should have mentioned Tofani's series). My point was that Metro should be *better*, and probably would be if it had a competitor to keep it on its toes. As for Graham's comparison of an afternoon newspaper to a streetcar line or oceanliner service, those are things that society has no use for, as opposed to an afternoon newspaper, which would be an obvious benefit to the citizens of Washington, D.C.

Finally, I did err when I said Kenneth Bredemeier failed to mention that Mary Treadwell was Marion Barry's ex-wife in his story about her conviction. He did squeeze it in—after the jump inside, in the 23rd paragraph. It was dumb of me to miss that. But given the way Bredemeier buried this important piece of information, I wouldn't be surprised if most other readers missed it, too.

For Better or Worth

I enjoyed Geoffrey Cowley's perceptive article, "Comparable Worth: Another Terrible Idea," in your January issue.

As a state trial judge in Wisconsin, I too am concerned that "social engineers" in positions of authority—be they employed by the executive or judicial branches—are usurping essentially legislative functions in attempting to remake the world in their own images or, worse, by impressing upon the rest of us "idealistic" values that they themselves occasionally eschew. You may recall the incredible statement of a prominent federal judge as he explained the seeming contradiction of his sending his own children to private schools thereby enabling them to avoid the massive busing school integration plan he had imposed by pointing out that his duties as a parent were distinct from his duties as a judge.

RALPH ADAM FINE
Milwaukee, Wisconsin

Poking fun at a serious matter like comparable worth is the coward's way of dealing with a significant issue. Those who argue that the "marketplace" will adjust the differences choose to ignore the fact that the marketplace went awry 100 years ago. How did this happen? Women were encouraged to enter the so-called "nurturing" professions, as teachers, social workers, librarians, and nurses. Since this was an extension of their nurturing nature, they could work for love, self-satisfaction, perhaps, and didn't need to be paid as much. Women soon were segregated into a limited number of occupations that were low in status and pay, simply because the jobs were held by women. Now we have a system that pays librarians and nurses, with years of education and experience molding our minds and caring for our health, far less than the man who paints our house or fixes our leaky faucet.

JOY PICUS
Los Angeles, California
Joy Picus is a city councilwoman in Los Angeles.

The tone of Geoffrey Cowley's article on comparable worth does a disservice to this important issue. His specious reasoning should not go unchallenged.

Opponents always like to mystify the issue by fantasizing a quagmire of complicated ratings systems and government monitoring as the inevitable result of comparable worth. Mr. Cowley's "examples" of these complications are largely irrelevant. (Many employers already use code numbers and ratings to set pay scales. Do children "taunt each other in the sandbox" and executives "knock back martinis" discussing these ratings? Does it matter?) His ludicrous examples only divert attention from the real issue—the fairness of hiring and promotion criteria. The principle of comparable worth means that employers should have objective rationales for their treatment of employees—hardly an unreasonable request.

There is no evidence whatsoever that comparable worth supporters want a national wage system—or even a crosstown one. As Mr. Cowley himself points out, proponents are asking *individual employers* to show that they have and apply consistent standards in their hiring and promotion practices. Would pay scales vary in different parts of the country? Of course. Could men use rating criteria to argue for equal treatment? Of course. Should ratings be updated to take into account new technologies and duties? Of course.

As for the "marketplace" argument for wage-setting, a shortage of qualified personnel is certainly one criterion for wage-setting. But in recent years severe shortages of nurses have not pushed up their pay; at the same time, an oversupply of doctors in some metropolitan areas has not made their pay go down.

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Studies by many researchers—including the National Academy of Sciences and numerous state and local governments—have found a differential between men's and women's earnings of 50 to 55 percent—*after* all other contributing factors are figured in: seniority, experience, training, hours, union membership, age, absenteeism, education, required skills, productivity, and economic contribution to employers. This differential results from sex discrimination. Should we tolerate it because it is directed against an entire occupation rather than a single job?

IRMA BROSSEAU
Washington, D.C.

Voting with Their Mortgages

Your ordinarily dependable powers of rational analysis seem to have deserted you in your discussion of the National Airport "scatter plan" ["Tilting at Windmills," January].

While on the surface it may appear to be "fair" to distribute the noise of airplanes throughout the metropolitan area, in fact it is grossly inequitable to an estimated 350,000 residents. Most of these people have based their decision on where to live or established their business at least in part on avoiding the flight paths in and out of National Airport, which have been well established for two decades. Similarly, almost all of the residents of Cabin John and other places that are beneath these flight paths knew very well of airplane noise there when they made their investments in their homes and businesses.

You say you wish all of the people of the area could vote on the "scatter plan." This has, in effect, occurred in the form of letters, telephone calls, and petitions to the Federal Aviation Administration and the Metropolitan Council of Governments. The reaction is overwhelmingly in opposition to the plan. Seventy-five percent of comments to FAA as of January 9 were in opposition, and 87 percent of comments to the council as of January 6 were in opposition.

GARY J. KOPFF
Washington, D.C.

Gary Kopff is president of the Coalition Against the Scatter Plan.

Shake Your Booty

We would like to provide you with the true facts regarding Dart Industries' political action committee, DARTPAC, which were not expressed in "Shakedown in the Boardroom" [Nicholas Goldberg, December 1983].

Mr. Goldberg made references to DARTPAC that are blatantly false, misleading, and undocumented. We cite the following (taking directly from the article) and provide the facts:

Goldberg: "Employees who chose not to invest in their kids' future, or who invested in smaller amounts

(Continued on page 59)

The Washington Monthly

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TILTING AT WINDMILLS

You have to love the folks at Regency Electronics. They make radar detectors. Those are the devices that warn you that police radar is on the road ahead. Now you would think this would be a business it would be hard to brag to your children about. But Regency's head is unbowed. They have sent out a press release that proudly asserts that they are promoting highway safety. How, you ask? Well, when the speeding driver's radar detector sounds off, he slows down....

A recent news story in *The Washington Post* said Senator Ted Stevens of Alaska, who is chairman of the Appropriations subcommittee on defense, had "angrily canceled" hearings on the Air Force budget. This was not a laughing matter for the Air Force because Stevens's committee has the power of the purse and can reduce or increase the Air Force's budget. What had the Air Force done to inspire such wrath? It had tried to save $200,000 by buying milk for a base in Alaska from a dairy in Seattle. Alaska dairies complained, and the budget process ground to a halt so Stevens could protect Alaskan dairies, even though doing so will cost the taxpayers more....

The New York Times recently published a case study of the high cost of Broadway theater. It compared the costs of the London production of *Kean* with the New York version, and the results were bad news for people who worry about the excessive value that American culture is now putting on money. Anyone who has worked in the theater knows what a labor of love it can be for everyone concerned, from the people backstage to the actors in front of the footlights. Yet on Broadway it has degenerated into a labor of greed.

If you have been to London recently, you know the cost of living there is much the same as in New York, certainly not more than 20 percent less. Yet the New York actor gets a minimum of $610 a week against $180 in London, a New York stage manager $1,000 compared to $300 for his London counterpart. The star of the show got $3,000 a week in London and $12,500 in New York.

There are also some truly exotic union rules that run up the cost of Broadway productions. A man whose only job was to tend to the star's wig, a job that took at the most an hour a day, had to be paid $500 a week. His counterpart in London got $140. Because of such union work rules as one requiring the crew that installs the set to be paid not only for the hours it works, but for the hours until the lights are focused on the set, set installation costs in New York were $10,000 compared to $3,000 in London.

The sad thing about these high costs is that they discourage production and reduce the opportunities for people to function in work that can be truly joyful. I can understand when we are held up by unions representing people who do society's drudge work. But it just doesn't make sense for people who can have fun going to work every day to risk not having that fun in order to get money they

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don't really need....

But if Broadway is bad, Hollywood is worse. Kenny Rogers, the singer and actor, is said to have made more than $20 million last year. He owns houses in Malibu, Bel Air, and Beverly Hills. When asked by a magazine interviewer, "Would you consider a challenging role in a film if it were a meaty character part even if it weren't a starring role?" Rogers replied, "The problem is monetary. I can't afford to take time off to do something that doesn't compensate me as much as what I can make otherwise." "So money is the operative factor," the interviewer commented. "Absolutely," answered Rogers.

Meanwhile, a couple of thousand miles away from Beverly Hills, Joan Burton, the deputy clerk of Chase County, Kansas, was offered a pay raise by the county commission. She turned it down because she didn't believe the rural county could afford it. Her annual salary is $1,066.67....

When I was growing up, the press tended to be excessively deferential to businessmen, portraying the worst scoundrels as distinguished pillars of the community. Then journalistic fashion changed and even the best businessmen tended to be treated like suspects in a holdup. Now we seem to be moving toward a recognition that at least some businessmen are good guys. Recently, for example, *The Washington Post*'s R. H. Melton wrote about a memorial service held by the small businessmen who were tenants of Stanley Wolpoff, a commercial landlord in Silver Spring, Maryland, who had died the week before. Wolpoff, the tenants said, would allow fledgling businessmen low rent for the first couple of years, and if they failed he would simply write off the remaining rent due under the lease instead of suing them. But his kindness often kept them from failing. "There are three or four guys on Sligo Avenue here who would have lost their business in last year's recession if it wasn't for Stan," said one of the tenants....

The latest craze in corporate finance is called the leveraged buy-out, and, like most of the innovations of Wall Street, it involves a new way to take you to the cleaners. Here is how it works. The managers of a company decide they want to buy it. The trouble is, their $500,000-a-year salaries are not enough to provide the capital to buy a $100 million corporation. So they put up maybe a million or so and go to the bank where they get a loan for the rest. Secured by what? By the assets of the company, of course.

Since they don't own the company yet, this security may seem a bit dubious, but not to a banker who is cut in on the deal, receiving a percentage of the ownership sufficient to overcome any excess of rectitude in his character. Now the manager makes an offer to you for your stock. Is the offer fair, you ask? Where do you get the facts about the company so that you can decide? Why, from the managers, of course. Since their interest is in keeping the price low, you are not likely to get facts from them that will lead you to put a high value on your stock....

In all the talk about the Barbara Hutton biography that turned out to contain some fairly glaring errors, one comment about editors stood out. It came from Frances Fitzgerald, who won a Pulitzer Prize for *Fire in the Lake*. She said, "There is very little editing, even for style." This seems to me to be generally true in the book publishing business, where an editor's day appears to consist entirely of taking people to lunch and making deals.

It is also at least partly true of the magazine business. There is some good style editing in magazines. *The New Yorker* is perhaps an outstanding example. There is also some excellent fact-checking, of which *The New Yorker* is also a good example. But there is very little of what I call "argue" editing, in which the author's ideas are examined, intellectual loopholes are discovered and filled, and some facts are exposed as irrelevant while others are found to be missing.

We do a lot of argue editing at the *Monthly*, probably because I was trained as a lawyer, not as a journalist. One lesson you learn very early as a lawyer is the high desirability of having your partners find the flaws in your case in the forgiving privacy of the

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office instead of having opposing counsel reveal them in the courtroom to your certain embarrassment and possible defeat.

I recommend this practice to other editors. Some writers, especially the famous ones who tend to become prima donnas, feel it is insulting. They seem to think their artistic integrity is threatened whenever an editor suggests they might be wrong. But the simple fact is that each of us, even the most gifted, falls into error from time to time. That's why every article in this magazine, including this column, gets a hard look from at least two editors who are free to question anything, whether a matter of fact, style, or meaning....

My concern about argue editing prompts me to add one proposal to what Jonathan Friendly of *The New York Times* reports that many editors said at a recent conference on how to train journalists: "It is more important for journalism students to get a broad background in the liberal arts rather than train in specific methods of reporting and editing."

There are two kinds of experience that can enrich a reporter's point of view. One is the experience of others that he learns through history and literature and that is why a good liberal arts education is so important. Another is through his own life experience, which he should seek to make as varied as possible. Experience in government, business, and the military is particularly desirable as a break in or preceding a career in journalism. The formal education I would add is one year of law school. The Socratic-method teachers at the better law schools do teach their students how to think—to argue edit, if you will. There's no reason liberal arts teachers couldn't do the same thing, and I hope someday they will. But the sad fact is that today that kind of rigor is not part of the average college teacher's intellectual equipment....

For this month's lesson on how lobbyists work, I turn to Susan Trausch of the Washington bureau of the *Boston Globe*. She got a phone call from a public relations firm inviting her to a lunch sponsored by "The Committee on the Care of Children." Trausch describes the lunch as "a seven-course, gold-plated finger-bowl and hot-towel extravaganza that looked like something out of *I, Claudius*... with orchids flown in from Hawaii."

The Committee on the Care of Children was not much in evidence at the lunch. What was in evidence were attorneys from the law firm of Warner & Stackpole, which represents the aspirin industry. They used the occasion to argue that aspirin does not cause Reye's Syndrome, although there is substantial evidence that it does when given to children who are recovering from the flu or chicken pox. This firm has succeeded, by threatening legal action, in getting hundreds of television stations around the country not to run a public service announcement prepared by the Department of Health and Human Services cautioning parents on the use of aspirin.

Children with the flu or chicken pox are a tiny percentage of the market—why would the aspirin industry make such a huge effort to protect it? The reason is that lobbyists make money off of industry's tendency to panic at the slightest hint of regulation, and lobbyists have therefore become expert at exacerbating that panic....

King & Spalding, the large Atlanta law firm, has been charged with discrimination against its female employees. The firm's defense, according to the Associated Press, is that law firms should be free to discriminate against women because "lawyers are different—they're essential to the enforcement of the Constitution." This is the kind of argument desperate lawyers concoct when their client is guilty as hell under the current rules and their only hope is either to get the rules changed or to exempt their client from them. That King & Spalding's lawyer may well be desperate is suggested by the fact that the firm, at a recent picnic for the members, asked the female associates to participate in a bathing beauty contest. One senior partner had wanted the contestants to parade in wet T-shirts....

If you doubt that journalism has changed dramatically in recent years, consider this story by Ward Sinclair that ran recently in the first news section of *The Washington Post*:

"There's a fresh and

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different breeze blowing across the great congressional desert where the hot air dries the brain cells and the ego trips pass for statecraft.

"It's called the Kika. Eligio (Kika) de la Garza (D-Texas). He cuts with his wit, he disarms with a hyped-up Latino accent, he shies away from spotlights, he beguiles his enemies. He is a sly fox who occasionally plays himself off as a poor little step 'n' fetchit Mexican guy. He is chairman of that grasping crowd of strivers called the House Agriculture Committee, and he is an unusual man."

Ten years ago, if such a story had appeared in the *Post* at all, it would have been in the Style section. It may be a trifle overwritten, but I'm delighted by the trend that has brought it to the front of the paper. I had deplored the journalistic tradition that dictated a ghetto of facts in the news section, facts unadorned by color, opinion, or human understanding. You might find color and empathy in sections like Style. And you would find opinion on the editorial page. It would be just as sterile as the dry facts of the news section, for the opinion would be written, not by reporters who had first-hand knowledge and a feel of the underlying reality, but by fellows who sat in the office all day writing editorials.

I think that in the long run we're going to see an end to the editorial page as it exists today. There are substantial bureaucratic forces at every paper who will fight this development, but I think ultimately they are doomed. They're going to be seen as boring compared to what is happening with the appearance of more and more stories like Sinclair's.

I should, however, inject one note of caution about the Sinclair trend. Readers still have a legitimate need for straight news about what happened yesterday, and if they're going to be given something else in the news section it should be labeled, as Sinclair's was not, "Profile" or "Background" or "News Analysis" or some such term that would warn the reader that this is not objective reporting. . . .

Who is General Motors' largest contractor? A tire company or a steel mill? No, it's Blue Cross and Blue Shield of Michigan. Health insurance cost GM $2.2 billion in 1982 alone. That added $480 to the cost of each GM car. But why should that bother the doctors who seldom settle for less than a Mercedes. . . .

Speaking of our friends the physicians, the Chicago *Sun-Times* reports that the *Journal of the American Medical Association* permitted an editorial decision to be dictated by a drug company that was a major advertiser.

Pfizer didn't like a story that the journal published about one of its drugs. According to present and former employees of the journal, "Pfizer pulled $250,000 in ads and threatened to remove $2 million more." The journal proceeded to print another article more to Pfizer's liking, and the advertising is back. . . .

"Experts Cite Flaws in Grace Panel's Claim for Savings," read the headline in *The Washington Post*. The major flaw, according to the experts and the reporter who wrote the story, was that the proposals weren't politically realistic. The problem with this kind of expert—and this kind of reporter—is that he never mentions the ideas that could bring about big savings, because he is convinced they wouldn't get through Congress. Since the experts, and the reporters who follow them, won't talk about the ideas, the public has no chance to learn about them and to generate the pressure that could make the ideas politically realistic.

I am convinced there would be strong public pressure for later retirement for military and civilian officials if the public realized how early these retirements take place now and how much of this and future budgets will be devoted to them. But the experts say it's unrealistic and so do the reporters, so the people aren't told the facts.

This kind of realism is typical of the incremental approach to problems that dominates respectable Washington. These people never propose radical reform—the change they suggest is always five or ten degrees from the center.

Meg Greenfield, for one, has begun to question this centrism. She asks how can we have a centrist position on an abomination like the South African government? "Sometimes," she writes, "we have to choose. We have to devise policies that have

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nothing to do with seeking a precise midpoint between the tired old prescribed choices and cliches." Amen....

Everyone agrees that we should spend more money on education but there is compelling evidence that money is not the whole answer. Among the states, South Dakota ranks 47th in teachers' salaries but is fifth in the percentage of those who enter high school and stay on to graduate. The District of Columbia, on the other hand, ranks second in salaries but 50th in graduates....

In the last year or so you've probably read a number of horror stories about how the Pentagon pays extravagant sums for small parts that often cost only a few cents to make. One way the contractors get away with such charges is by declaring they have "proprietary rights" in the small parts. The government seldom challenges such claims, even when the contractor does not make the part himself but buys it elsewhere. The catch is that, once the item is declared proprietary, military purchasing officials will not furnish other companies the engineering data they need to make competitive bids. And it is, of course, the lack of competition that produces the outrageous prices.

When the stories about those prices began to appear, Congress demanded changes and Caspar Weinberger promised reform. But Charles Mohr of *The New York Times* has unearthed a subsequent Pentagon memo that expresses concern about moves to restrict the practice of declaring proprietary rights. The memo also says that the "least preferred" way of controlling costs is the practice under which the machine shops at Air Force logistic centers have begun making spare parts themselves at savings of tens of millions of dollars....

An affidavit Robert McNamara made in connection with General Westmoreland's suit against CBS was quoted recently in *The New York Times*. In it McNamara said, "I did not believe it would have been possible for the military command in Vietnam to engage in a conspiracy to suppress or fake intelligence or enemy troop strength and if such a conspiracy had existed, I do not believe it could have been kept secret from myself or the president."

This statement outraged David Halberstam, who immediately wrote a letter to the *Times*. The *Times* refused to print it. Halberstam sent it to us and here it is:

"Since there is a new revisionist fashion to blame the press for the defeat in Vietnam (primarily on the part of people who said that there would never be a defeat there) and since public memory is short, and public figures like McNamara have selective recall, it should be pointed out that in Mr. McNamara's reign as secretary of defense and even before General Westmoreland's tour in Vietnam there was in fact precisely this kind of trickiness with reports and estimates on the part of the Saigon command.

"Conspiracy is probably too strong a word for what took place at that time, since an Army staff works in subtle and nimble ways once it finds out what its superior wants, but there is no doubt that the growing strength of the enemy and the failures of the ally were systematically ignored, despite the pleas of passionate officers in the field. Very tough warnings came from senior Saigon officers that those who persisted in being honest and pessimistic not only would not be listened to, but that they would dissent at the risk of their careers.

"When the most passionate of these officers, Lieutenant Colonel John Vann, retired from the service so he could go public, his briefing to the Joint Chiefs was canceled at the personal request of Maxwell Taylor, chairman of the Joint Chiefs and the military officer closest to McNamara. As far back as 1964 I detailed this, using the names of some officers (others would have been easy enough to find out); that there was no investigation or courtmartial simply confirmed what those of us who watched that period already knew: Washington was not angry with Saigon, because Saigon was giving Washington what it wanted: results and estimates which fit in with the policy and made the domestic politics of that policy more tolerable (helping to keep it from being an issue in the 1964 campaign).

"For Secretary McNamara to issue his affidavit now is particularly disingenuous since his various aides know

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that one of the reasons he became increasingly disenchanted with the policy around 1967 was that he no longer believed Westmoreland's estimates. Prodded by briefings from his aide, John McNaughton, he knew that the bombing had failed, that the other side could send down almost as many men as it wanted, that we were in effect fighting the birthrate of North Vietnam, and that therefore the best we could hope to do was impose a fairly brutal aerial tax upon them.

"The war was thus unwinnable. Which is at the heart of the current controversy: what happens when a government and a command finally begin to discover that a policy has failed. The choices are not pleasant. You either accept that judgment and go public with it (no one did); you can come to that conclusion, as McNamara did, separate yourself as quietly and deftly from your own policy, or in desperation, as the Saigon command was forced to do (with a political campaign approaching and pressure mounting from a highly political president), you began to play with the figures, giving Washingon inevitably what you thought Washington wanted. The jiggling was what Lyndon Johnson wanted; he just didn't want anyone to get caught doing it.

"That is at the core of this trial: General Westmoreland was, in fact, not a hero, nor a villain; in the end he was mostly a pawn. The affidavit from McNamara isn't much help in unraveling all this (although by giving it, he and Bundy at least pay back a partial debt to Westmoreland whom they left holding a bad policy once they bailed out to their happier new jobs), but perhaps it means that CBS's lawyers can finally get him under oath. That alone would make this trial worthwhile."

I agree with Halberstam. It is tragic that McNamara, who has lived such an honorable and useful life since leaving the Pentagon, could come this close to committing perjury. It may not have been an overt conspiracy but there was certainly tacit encouragement of false intelligence....

Certain news makes me nervous. For example, a new book called *U.S. Nuclear Forces and Capabilities* says that we have 26,000 nuclear weapons and that 700 U.S. combat units are ready to use them. With these numbers and the normal tendencies of military bureaucracy, the possibility of accidental detonation seems not nearly slim enough.

Then there's the danger of theft by terrorists. With so many weapons lying around—there are 5,800 tactical nuclear weapons in Europe alone—it's hard to imagine our security being so perfect that one or two aren't going to end up in enemy hands. Three thousand eight hundred of these weapons in Europe are artillery shells that are 20 years old and, according to Walter Pincus of *The Washington Post*, "do not have modern electronic systems that allow them to be destroyed by a remote-controlled radio signal if stolen." Many are kept behind doors that have only single locks. The Army is spending $35 million on a new security program for these weapons. But if you know the Army, that kind of money will be spent on plans for a double lock for which the maker will then claim "proprietary rights" and charge outrageous sums....

A state senator from Nebraska has proposed that college athletes in revenue-producing sports like football and basketball be treated as school employees with salaries, health insurance, workers' compensation, and the other usual benefits. This strikes me as sensible. If it at least were widely debated, it would make colleges face the terrible hypocrisy involved in their athletic programs, and it would do something to take care of the injured college athlete, who often finds his alma mater indifferent to his disability when it becomes clear that he can no longer be a revenue-producing player....

Recently, I was talking to some friends about the Long report on the Beirut bombing that killed 200 Marines. They wondered how such a report could have come from a military where coverup seems to be a way of life. The explanation is simple. Most military officers are competent people—perhaps even a cut above their counterparts in the civilian government—but their performance is shaped by their role. If their assignment is to the chain of command, their concern for their own careers and their loyalty to

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Illustration by Andy Meyer

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Adding Insult to Injury

The workers' compensation system rewards lawyers, insurance companies, and workers with hangnails—everybody but the seriously injured worker.

In 1978 a fraternal organization of about 250 Florida lawyers sat down in a Miami country club to dine, to the accompaniment of a 12-piece orchestra, on prime rib and baked Alaska in celebration of yet another very good year. This particular group called itself the "Friends of 440," after the chapter number of a Florida law that permitted them to make a reasonable living in their line of work. No, they weren't regulatory specialists or even tax lawyers. Instead, they belonged to the burgeoning bar of workers' compensation, the program designed to provide for workers injured on the job. And they had collected almost $20 million in legal fees for representing claimants in workers' compensation cases during that year.

So what, you say, lots of lawyers make money. Yes, but the workers' compensation system was designed to *eliminate* litigation. It's supposed to be like small claims court. There aren't supposed to be any lawyers.

Teresa Riordan is on the staff of The Washington Monthly. *Ben Holmes assisted in the research of this article.*

Lawyers aren't the only unintended beneficiaries of the workers' compensation system. Insurance companies, doctors, and unscrupulous workers with trivial injuries have forged the system into a highly profitable industry—highly profitable, that is, for everybody but the seriously injured worker, the party that compensation was designed to protect.

Workers' compensation, the first social insurance in America, started out as a good idea—as a way to minimize the human tragedy of workers injured on the job. Until the turn of the century, the only way an injured worker could make his employer pay his medical expenses and wages while out of work was to drag him into court and charge that he was to blame for the accident. If the worker couldn't prove this—that the employer was negligent—he and his family had to foot the bill themselves. Most often they couldn't. If a fellow worker had caused the injury, or there were multiple causes, or the unexpected had happened despite all precautions, the worker had to provide for himself—quite an impossible feat for, say, a laborer whose only source of capital was his now-broken body. It was often

BY TERESA RIORDAN

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tough to win a case even when the worker could document negligence because few workers could prevail against the legal horsepower their employers could afford to hire.

So along came Progressive Era reformers who began pushing for a "no-fault" compensation system; employers, through private insurance, would pay injured workers' medical expenses and lost wages regardless of fault. In exchange, workers would give up their right to sue employers for negligence. The costs of all work-related injuries were to be allocated to the employer—through higher premiums to an insurance company, which would pay actual benefits. This was not because of any presumption that the employer was to blame for every individual injury, but because the inherent hazards of employment should be considered a cost of production. By 1920 all but six states had passed a workers' compensation statute. Today all states have such statutes, which covered about 79 million workers and paid out $15 billion in benefits to workers in 1981 (the most recent figure available). But the growth of workers' compensation has been a cancerous one—one that is but a symptom of the broader malaise gripping America's social programs today.

Compplots

Compensation was supposed to be simple, free of lawyers and courts. No state's procedure is the same, but, typically, this is how it was intended to work: First, the worker gives notice of injury to his employer, who files a report with the state compensation commission. Then, in most states, the employer's insurer and the worker must come to an agreement, which must be made before payment begins, on what should be paid. The problem is that the parties often don't agree. There are hundreds of possible points of contention, so this "agreement system" constitutes the chink that lawyers have used to wedge themselves firmly into the compensation process. When a claim is "contested," which means the claimant files a claim with the commission, the parties can reach an agreement at any point of the process. But if they don't, they go first to an informal hearing, then to a formal hearing, and, if necessary, all the way to the appellate level of district court.

Only a few cases (almost all of them the serious—i.e., expensive—cases, but more on that later) are contested when the report of injury is initially filed. Nonserious cases are frequently disputed, but only after the worker has been taken care of while injured and, usually, is ready to go back to work. That's right, most claims are contested after, it would seem, the system has met its obligation to the injured worker. The reason can be found in what are called, in comp-culture parlance, lump-sum settlements. They are the keystone of the industry that lawyers and insurance companies and doctors and workers have constructed on the foundation laid by workers' compensation.

Lump-sum settlements are based on the well-meaning theory that even after the worker recovers from an injury, he may sustain a permanent disability for which he should be monetarily compensated. This is called "permanent partial disability" and is figured as a percentage of impairment. An example: if a millworker cuts his arm off in a high-speed saw, his arm is indisputably 100 percent impaired. His lump-sum settlement is based on an awards "schedule," which assigns a dollar amount to each body part or type of impairment. So if the mill is located in, say, Minnesota, the millworker will be awarded $78,300, or 100 percent of the scheduled award. This is over and above his medical expenses and the wages he received while out of work. That $78,300 is awarded, in theory, because without the use of his arm the millworker won't be able to make as much money in the future. In most states, in exchange for the lump sum the claimant often agrees not to return to the insurance company for more benefits should complications from the injury arise in the future. (The schedules vary widely, because they are legislated by each state. If you're going to lose a thumb on the job, for example, try to do it in Iowa, where it's worth $29,940, rather than across the border in Missouri, where it will fetch only $6,821.)

It would be foolhardy for the insurance company to contest the size of the lump-sum settlement in such a black-and-white situation as the case of the millworker, so it will likely reach an agreement with the claimant's attorney without meeting before the commission again. But the millworker isn't the only one getting lump-sum settlements these days. Lump-sums for minor injuries are ubiquitous; workers collect thousands of dollars for twisted ankles, strained backs, and other afflictions where the lost-future-income argument is a little tough to buy.

Take the case of a municipal worker in Grandville, Michigan, who was awarded more than $20,000 in a lump sum after injuring his knee in a softball game. The claimant's attorney argued that because the city owned the ball field, the injury had taken place on company property. These cases generally are contested and so, at the very

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least, are argued at informal commission hearings.

Before these "hearings," the compensation lawyer and the insurance representative will usually haggle in the hall, trying to reach a last-minute agreement. If they don't, the hearing proceeds. Testimony is taken, evidence is given, and the whole affair begins to resemble a typical courtroom proceeding, which is exactly what workers' compensation was supposed to eliminate. This is where the doctors come in. After all, the debate is about one thing only: what "impairment rating"—meaning percentage of "permanent partial disability"—should be assigned to the claimant. This, it turns out, is quite a subjective number—to the financial gain of many a doctor.

Each side usually gets to choose its own doctor to examine the claimant and assign an impairment rating. The doctors are selected not for whether they know an I.V. from a blood sample but for whether they have a reputation for having a soft heart for injured workers or a profound respect for the insurance industry—i.e., whether they give high or low disability ratings to the claimants they examine. In a survey of 100 compensation cases several years ago, the *Baltimore Sun* found that 80 percent of the claimants went to one of just two physicians, Allan H. Macht and Eli M. Lippman. For their talents, compensation doctors can make a handsome living, especially if they do a bulk business. They get $1,200 to $1,500 to testify at a compensation hearing and from $200 to $700—depending, as one compensation lawyer puts it, "on how greedy the doctor is"—for giving a deposition.

"It's all a game," Tom Woodruff, a member of the Florida House Insurance Committee and a practicing compensation lawyer, told the *Miami Herald* in 1979. "The carrier sends a claimant to an incredibly conservative doctor. I send him to a very liberal doctor. The judge comes down somewhere in the middle." In this game, the compensation arbiter serves no longer as a seeker of the truth but, rather, as an umpire who determines how much you should get for landing on Free Parking.

One reason lump-sum settlements have proliferated in the past 30 years is that without them, without lots of them, few lawyers would find the compensation business lucrative enough to pursue. In some states, in fact, the only fee lawyers can collect is for what they get over and above wage and medical benefits. So the only reason they're in the compensation business is what they make off lump-sum settlements. To be sure, in some states the lawyer can, for all his filing and bargaining, get up to 25 percent of the disability wages the claimant collects while he's out of work. But these benefits aren't overly generous to begin with (generally two-thirds of the salary at time of injury, though this is tax-free) on the assumption that we don't want him to get too comfortable being on the dole. So the percentage that trickles in weekly from disability pay is just lunch money. The big bankrolls, of course, come from lump-sum settlements.

Why is the compensation insurance industry, with apparently little resistance, shelling out thousands of dollars in dubious lump-sum settlements? In part because the practice has become routine. The insurance commissioners who decide the claims now expect to give the claimant some kind of lump-sum settlement

This system, which was supposed to be "no-fault," often leads to just the sort of courtroom-like procedure it was supposed to eliminate.

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regardless of how inconsequential the injury. But another reason is that lump-sum settlements are a type of insurance for the insurance industry—insurance that the worker won't come back later for more medical expenses and disability pay. That right, remember, is usually signed away in exchange for a lump-sum.

Rate-Crashers

So it would seem that workers' compensation isn't such a great deal for the insurance companies after all. Indeed, it would seem that the best they can do is minimize their losses. But it only seems that way when you're looking at the structure from the front. A trip around to the other side, where they earn their money, lends a whole new perspective.

In most states, premiums are fixed: though insurance is carried through private companies, there is no competition. A state commission or regulatory agency, acting under the authority of Congress's great gift to the insurance industry, the McCarran-Ferguson Act, sets the rates for premiums just as the legislature sets the schedule of benefits for permanent-partial disability. Although the state insurance commission has to approve rate increases or changes, it relies on a private corporation—the National Council on

Melvin's World

In exchange for workers' compensation, workers gave up the right to sue their employers for negligence. There is, however, a backdoor way to sue when workers are injured on the job. They sue not their employer but a third party, often the manufacturer of equipment or materials they used at the workplace. This category of third-party suits is called, logically enough, product liability. And if workers' compensation is a scandal, according to Jeffrey O'Connell, a University of Virginia law professor and expert in no-fault insurance, then product-liability suits are "a scandal piled upon a scandal."

One reason for the recent proliferation of product-liability suits is that workers' compensation does not provide adequate coverage for occupational disease victims (whose symptoms often don't appear until after the statute of limitations has long since run out in workers' compensation). Since they have no other option, they sue. More than 20,000 such suits have been filed by workers exposed to asbestos. Another reason is that suits are now easier to win. Tort law has evolved in such cases into a system of "strict liability," which means the injured party has to prove only a product or warning defect, rather than negligence. Melvin Belli, the preeminent personal injury lawyer (once called the King of Torts by *Life* magazine), offers yet another reason for the explosion in the number of product liability suits: "In common court you can get a lot more money than in workers' compensation," he says. This is certainly true—not just for the injured worker, but for Belli, too. Belli wins several settlements of more than $1 million a year, one-fourth to one-third of which he keeps for himself, from injured workers' cases.

But the problem with product-liability suits is the problem that spurred enactment of workers' compensation in the first place: tort law is inefficient and arbitrary. The worse the injury, the larger the settlement sought, and the longer the insurance lawyers drag out the case. For every 66 cents claimants get in product-liability setlements, lawyers haul in 77 cents (remember there are lawyers' fees on both sides). Most suits are brought on a "contingency basis," which means the worker doesn't have to pay his lawyer anything unless he wins the suit. Belli, in an interview with the *San Francisco Chronicle* called this contingency fee "the poor man's ticket to the courtroom." Maybe. But if so, it's a lottery ticket, because to continue his lifestyle of velvet-lined offices and satin-lined suits, Belli can only afford to take on cases he knows he can win—irrespective of the extent of a worker's injury or his need for compensation. No clear sense of justice prevails.

Business and insurance lobbyists are carrying the fact that the trial bar is profiting disproportionately from product-liability cases as a banner under which they hope to pass sweeping reforms. Senator Bob Kasten, the white knight of the business lobby, has introduced a bill, which now has full administration backing, that would set federal standards of liability, limiting punitive damages, forbidding suits by people damaged by capital goods more than 25 years old, and tightening the terms of liability.

The result would be a disincentive for manufacturers to do the research necessary for developing safe products, because if they don't know that their product is unsafe, they won't be liable. The burden of proof, and the accompanying increase in litigation costs, would shift to the injured claimants. So the irony of Kasten's crusade is that his bill would be a relief measure for those who have added the most to the high cost of litigation in the first place—the insurance industry and manufactuers who profit from unsafe products—while it would relax the safety inducements of present tort law. With OSHA now offering only a silhouette of protection, this is a frightening prospect.

—*Ben Holmes*

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Compensation Income—for recommendations. Who funds the NCCI? Basically, insurance companies who pay a fee to belong to the council and agree to charge premiums in accordance with its fixed schedule.

All this smacks of cartel and government-sanctioned price-fixing, according to a study commissioned by the Labor Department in the early days of the Reagan administration. Most states follow the NCCI recommendations for premium rates because, according to Robert Hunter of the National Insurance Consumer Organization and a coauthor of the Labor study, "20 or 30 actuaries come charging down from NCCI in New York" to argue for them. "State regulators are just undergunned," he says. "NCCI gets away with murder." Some states don't even have an actuary or an insurance commissioner. The study concludes that as much as $1.8 billion a year in insurance premiums could be saved if a more competitive rate-making system, which some states already use, were adopted nationwide. The study, by the way, was not published after Raymond Donovan, the secretary of labor, received a letter from the six leading compensation insurance companies asking him to "halt the release" of it.

Another reason insurance companies are making such a killing off compensation is investment income. Insurance premiums of all kinds serve as interest-free loans to the insurance industry, but in the case of compensation insurance there is, in effect, more income to invest because it takes so long to settle claims. And in other insurance specialities—for instance, auto insurance—income investment reserves are at least somewhat constricted by competition. Not so, as we've already seen, in compensation insurance.

For example, according to Hunter, the compensation insurance industry earned a 35 to 40 percent return on net worth after taxes in 1981 from the businesses it insures in Washington, D.C. But even though investment income can be significant, it's not taken into account when premiums are figured. That's right. When rate-setting time comes around, the insurance companies pretend that this enormous source of income does not even exist. And less than 60 percent of the money private insurers take in on premiums is paid out in benefits. Compare this to the Social Security benefit system, where 95 cents of each dollar goes into benefits. Or look at, for example, Ohio, which has a state-operated fund. It ranks 11th in the nation in the level of benefits paid to disabled workers, but 39th in the cost of the insurance to business.

Why do insurance companies pay out so little in benefits? Insurance companies rarely contest *partial* permanent disability claims, those primarily minor claims that typically end in lump-sum settlements. But they do contest—six times more frequently, in fact—*total* permanent disability cases. In other words, they fight hardest the cases in which the worker needs compensation the most. These are cases of severe disability, where the worker may be unable to work again for years or perhaps the rest of his life—a costly possibility for the insurance carrier.

In many states, when an insurer contests a case he isn't obligated to pay the worker anything until the claim is resolved. Where there is a big backlog of cases, it takes four years to settle the typical compensation dispute. That's how long it took before compensation payments started for Robert T. Rigby, a worker in Baltimore suffering from burns, open sores, and disfigurement of his fingers, face, and genitals caused by chemicals he worked with. Many such disabled workers drift into the fourth dimension. They can't collect workers' comp because their claims are in limbo. They can't apply for unemployment, because it requires an active search for work, and they can't work because they're disabled. Or, if the worker lies and says he can work, to collect unemployment, the lie will come back to haunt him in the compensation hearing. How, the insurance attorney will ask, can you collect unemployment if you're disabled?

In some cases, insurance companies "starve out" a worker by delaying the processing of his claim, either intentionally or because of administrative backlog. Sometimes, the insurance company doesn't pay even after a weekly disability pay benefit has been agreed upon and approved by the commission. And it won't pay until the court orders it to. Why should it? Generally there are no fines for non-payment unless an appeals court imposes a contempt of court penalty, which occurs rarely. In some states, a carrier may be forbidden to take on further compensation business, but this also is rare. The most the insurer risks is having to pay retroactive benefits. After the worker's been without money and jobless long enough, the insurance company can offer him a lump-sum settlement of, say, $20,000, an irresistible amount to a desperate person. It also looks good to his attorney, who would rather get one big check today than dribs and drabs every week for the next seven years. Besides, the lawyer has an added incentive for making a lump-sum settlement instead of fighting for weekly disability

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pay: because the insurance carrier can contest the disability wages up to the appellate court, that route can mean two to three times as much work for the attorney, for the same 20 percent settlement cut.

Even if the insurance carrier doesn't get a lump-sum settlement, it always comes out ahead if it stalls, for three reasons. First, it earns interest on the money it would be paying out. Second, inflation will have appreciably lowered the worth of the worker's pay by the time the award is made, because benefits are determined by the amount the worker was earning the day of the accident. And, third, if the insurance company is real lucky, the claimant may just kick the bucket before it ever pays a cent.

Indeed, the insurance industry seems to have mastered the art of paying as little as possible to permanently disabled workers. Only 15 percent of the estimated 410,000 workers severely disabled by injury receive long-term compensation, according to a Labor Department study released in 1980 (the most recent national figures available). Of those, the average pension is just 30 percent of previous wages. In some states, the percentage of those receiving benefits doesn't even approach the 15 percent average. In Illinois, for example, only roughly 4 percent of all fatal and serious cases involve a pension.

Those with occupational diseases (where the disability occurs over time after repeated exposure to, say, a chemical) have an even slimmer chance of getting compensation. This is because a worker must prove that his injury arose "during the course of and out of" his employment, which is hard to do when a condition develops over time. In addition, most states have arbitrary statutes of limitation that stipulate a worker must file for compensation within two years of exposure to a hazardous substance, in effect precluding awards for occupational diseases like asbestosis or silicosis, which have latency periods of up to 30 years. As a result, only 5 percent of those severely disabled from an occupational disease receive workers' compensation benefits. Those who do don't get much. According to 1975 Labor Department figures (again, the most recent national figure available because nobody bothers to keep track) the average *total* compensation for a worker who had been permanently disabled by an accident was only $23,352. The average *total* compensation for the occupational disease victim with permanent total disability was even lower: $9,676. Total.

What happens to the disabled workers who don't get workers' compensation? Sometimes they enter the lottery of third-party lawsuits—a sort of backdoor way to sue for negligence, a privilege workers supposedly gave up for guaranteed disability payments (see sidebar, page 16.) If their number comes up they can reap thousands, even millions. Most often, though, they end up being supported by the taxpayer through welfare and the near-bankrupt Social Security and Medicare programs. These programs pay out almost $3 billion—about five times what workers' compensation does—to severely disabled workers who should be provided for by workers' compensation. Even so, 280,000 workers—a high percentage of them women and minorities—don't get any sort of financial assistance at all, according to a Labor Department estimate. They just fall through the cracks, many times because they don't know they're eligible for aid.

Going for Baroque

If the lawyers and insurance companies are guilty of constructing the baroque system of workers' compensation we now have, the government is guilty of buttressing it. In creating federal disability pay, within the folds of the Social Security Administration, Washington ignored the existence of workers' compensation. When it looked around a few years later, it discovered that the two programs overlapped each other. And in its infinite wisdom, the government decided to reduce a worker's benefits if he was getting money from both programs. This "offset" system stipulates that if an injured worker is getting both Social Security disability and workers' compensation, he can't collect more than 80 percent of his former salary from both. If he does, the government reduces its payments so the worker gets just 80 percent. In 14 states, the insurance companies are the ones who get to lower *their* benefit payments. This is because the Social Security Act used to provide that if a state elected to reduce its benefits, Social Security benefits could not be reduced. Congress realized the folly of this in 1981 and changed the rule—but only so no *new* states could begin to reduce their benefits. In other words, Uncle Sam gets to play the sucker every time. There is one kind of payment the government doesn't offset: lump-sums. So if the worker is smart, he will take a lump-sum and then collect Social Security disability.

Take the case of Elbert Turner, a 46-year-old father of eight whose spine was so fragile that one doctor warned he could become paralyzed if he stepped off a curb the wrong way. A

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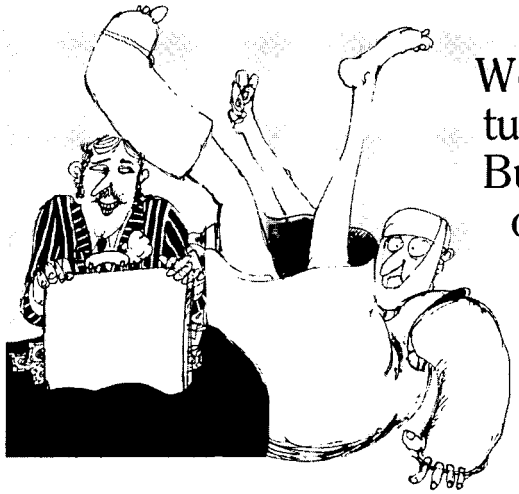
workers' compensation judge in Daytona Beach, Florida, ruled in 1979 that Turner should get $80 a week for life as well as medical coverage. Turner's maximum disability benefits were set at $112.52, two-thirds of his former pay. But Turner qualified for $56.79 in Social Security disability payments, which, along with the $80 in compensation, put him over the limit. So the insurance company—not the Social Security Administration—decreased its payments to Turner by $24.27. Then an advance of $2,000 in Social Security disability pay to Turner (which he got instead of weekly payments for the first five months) was labeled an "overpayment" by the insurance company, which deducted another $5 a week from his check. Then, after Turner was given a 5 percent cost-of-living increase—which amounted to $16 a week—in his disability payments, the insurance company, again, lowered its compensation payments, which are not adjusted for inflation. The insurance company had whittled its weekly payments, which had started out at $80 a week, to just $34.73.



Workers' compensation has turned out to be a failure. But it is only one example of our society's tendency to offer help to individuals not according to fact of need but according to circumstance of need.

Turner ended up settling his case. He gave up all rights to future payments or medical care, in exchange for a lump-sum settlement of $22,500. Why? "I was better off without it because with that little bit of money I couldn't draw my government pension," Turner told the *Miami Herald*. "They knew I had a big family to take care of and they knew I couldn't do it on what money I was getting. They knew sooner or later I would press for a settlement because of what they were giving me."

Sometimes disabled workers don't know they're eligible for workers' compensation. Linie Mae Bass, for example, a spooler for a Burlington Industries cotton mill in Irwin, North Carolina, first experienced trouble breathing in 1971. "When I got off work in the afternoons," she says, "if I had to walk over a block to my car, I would be exhausted." The company sent her to a doctor in Durham, who told her she had a "breathing problem" and that she would have to be transferred to a different part of the plant, away from the cotton dust. Burlington transferred her all right—two years later. Her new job was as a cloth inspector, which involved running up and down steps from one floor to another and proved too much of a challenge to her damaged lungs. "There was no place else to go in the plant," she says. "I just went back to my old job"—back to the cotton dust. Then in late 1974, Bass's health deteriorated so much that she lost a lot of weight and could "barely keep my head up." Still, she went to work every day, six days a week. After all, she needed the money. Her husband was earning only a meager income. He had lost his arm in a mill accident 20 years earlier; he wasn't receiving workers' compensation for lost wages because he had been given a lump-sum settlement soon after the accident.

Eventually, Burlington sent Linie Mae Bass to another doctor in Chapel Hill, who told her that her lungs were in such bad shape that she was permanently disabled. The company doctor in Irwin met with Bass and told her, "The good news is that you don't have brown lung." He also told her to apply for Social Security disability—not a word about workers' compensation. She applied for Social Security disability and was denied it (she's not sure why). The doctor told her to apply again. She was denied again. It wasn't until sometime in 1976 that she learned—from the Brown Lung Association—that she could file for workers' compensation and that she did indeed have brown lung. After a drawn-out battle with Burlington's insurance company, Liberty Mutual,

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Bass received her first compensation check in 1979.

And today? Bass's weekly compensation checks stopped last year. North Carolina law stipulated that the maximum amount of money she was allowed to receive from compensation was $32,000. And $8,000 of that had gone to her lawyer, who admittedly played a substantial role in wrenching money for Bass from the insurance company. Even though the "maximum" clause was eliminated in 1978—a full year before Bass saw her first compensation check—it technically applied to her because she started getting sick in 1974. Now Bass collects Social Security disability instead.

But the stories of Linie Mae Bass and Elbert Turner are not nearly as important as the fact that there are a lot of Linie Mae Basses and Elbert Turners—and that they are being compensated, not by insurance companies, but by society as a whole. The industries that impose these human costs are not always made to bear them, as the system assumes they do. Instead, the taxpayer pays $3 billion a year to provide for injured or disabled workers. Which means that the human costs of production, much like unchecked pollution, don't always show up accurately on industries' cost-benefit analysis, thereby giving the industries little incentive (through threat of higher compensation premiums) to make the workplace safer.

The Counter-Reformation

If workers' compensation is such a quagmire, why doesn't anybody try to clean it up? Mostly because the only people sinking in it are the unorganized, powerless, injured workers, worried more about whether they can pay their medical bills and feed their kids than about how to phrase a letter to their legislators on the injustices of the compensation system. The rest of us are standing on dry land—or, in the case of the compensation lawyers and insurance companies, harvesting a bountiful crop from the swamp.

Workers' compensation hasn't gone completely untouched by reform efforts. The Occupational Safety and Health Act of 1970 established the National Commission on State Workmen's Compensation Laws, which issued a report identifying 19 recommendations that are "essential to a modern workers' compensation." The states were supposed to comply voluntarily but the commission suggested that if the states hadn't cleaned up their act in five years, the recommendations should be made mandatory. At last count, ten years later, the states had taken only baby steps toward change: compliance with the 19 "essential" recommendations had increased from an average of eight per state to only 11 and a half. Why such lethargic progress? The issue is so complicated that no administration wants to touch it. "It's a hornet's nest," says Peter S. Barth, the executive director of the commission in 1971 and '72 and now a professor at the University of Connecticut. "You've got five or six different interest groups that live off this system." Although every administration has displayed a profound disinterest in compensation reform, the Reagan administration, in its quest to dismantle OSHA, has been more vigorously disinterested than usual. "You could replace [the Office of Workers' Compensation Programs] with a post office box," according to one civil servant.

In Congress, Senators Harrison Williams and Jacob Javits, every year from 1971 to 1978, did introduce bills requiring that those essential recommendations be instituted. But each year they were soundly defeated, mostly because of pressure from the insurance industry, which has an economic stake in preserving the status quo. Although, as we have seen, insurance companies pay a lot of unnecessary lump-sums for insignificant injuries, they often get away without paying for claims brought by seriously injured workers—the expensive claims. That the compensation insurance industry isn't bearing the costs it should becomes obvious when you compare it to the automobile insurance industry. Both reap windfalls from investment income that they fail to pass along in the form of lower rates. But the auto insurance industry has a vested interest in reducing auto accidents—because fewer claims means less money paid out—and therefore lobbies for safer cars and for such safety movements as airbags and better bumpers. The big compensation insurance carriers have yet to be seen conferring with Ralph Nader on how to make the workplace safer.

You hate to ask the obvious, you say, but what about unions? Aren't *they* pushing for reform? Not really. The compensation system "works" for the majority of workers. It fails only for a small minority.

After all, for every 100 union members who file workers compensation claims for nonserious injuries, there is probably just one seriously disabled worker. And because he's out of work, he's probably not even paying union dues any more. As long as those 99 card-carrying, voting members are satisfied, the union leader has little impetus or time to explore ways to take care of the guy who's really in trouble and who, inciden-

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tally, probably no longer has voting privileges. So year after year state AFL-CIO units lobby for higher scheduled benefits (upon which lump-sum settlements are based), or simply higher benefits across the board, instead of reform of the system.

Most union leaders, some observers assert, aren't as scheming as all that. They simply don't understand the issue. So whom do they rely on for their information? Lawyers—workers' compensation lawyers to be exact. Take, for example, Mark Shaffer, a partner with the firm of Ashcraft & Gerel in Washington, D.C., which has been in the compensation business for 30 years (perhaps those in the Washington, D.C., area have caught their TV ad, starring John Riggins of the Redskins). Shaffer is a paid adviser to the AFL-CIO on the Longshoremen's Act (a federal version of workers' compensation). He and his firm also give free workshops to local unions on how to collect compensation. When the issue of compensation reform came up in the District of Columbia recently, guess who was whispering in the ears of the area union leaders? That's right, Ashcraft & Gerel.

For a better look at how the relationship between unions and compensation lawyers has stalled out reform efforts, let's look at the state of Delaware. A bill was introduced there in 1982 to reform workers' compensation by eliminating most lump-sum settlements, except in the case of amputation and severe disfigurement. In exchange, the bill would have increased the maximum weekly wage compensation from two-thirds of the average state wage to two-thirds of 125 percent of the average state wage, thereby increasing aid to severely injured workers. The bill also would have limited fees for lawyers to only what the lawyer got the client over and above his wage and medical benefits.

The bill was patterned after a "wage-loss" system that had recently been implemented in Florida, a state that, you will recall, had been

Mining the Federal Treasury

The Black Lung Benefits Act and the Longshore and Harbor Workers' Compensation Act came about because workers' compensation failed to take care of disabled coal miners and longshoremen. Both programs were enacted to meet genuine needs. Both, however, have mushroomed far beyond their original intent because of amendments passed over the years.

Let's look first at the black lung program, which was passed in 1969 as a temporary measure to care for coal workers with pneumoconiosis who were being left out of workers' compensation coverage. The original law limited coverage to those "totally disabled" by black lung. But subsequent amendments, the first in 1972, took a cap off death benefits, extended coverage to a host of new dependents, eradicated the waiting period for benefits, and radically liberalized qualifications.

How liberal are the qualifications? So liberal that almost every coal miner who retires or quits mining files a claim. In one case, an 82-year-old man died in 1966 of a heart attack, 38 years after he'd seen the inside of a mine. Seven years later in 1973 his widow applied for benefits because, she stated, her husband had suffered from "shortness of breath" and had worked 12 years as a miner. A doctor's statement reported that the man's lungs had been clear. Even so, after two unsuccessful claims, the widow was given a cash award of $12,240 and a weekly allowance of $232.

Besides money paid to people who genuinely fit the loose qualifications, $1.5 million in benefits had been paid by 1983 to 453 ineligible coal miners and their families. This included a multitude of double payments and payments to the dead. At one point, death benefits were being paid out to 23 "spouses" of one miner. Small wonder that this fund, which was originally going to tap only $40 million from general revenues, is now $1.9 billion in debt to the U.S. Treasury. Worse, the General Accounting Office projects a $9.5 billion debt by 1995.

The history of the longshoremen's program, which was started in 1927, resembles that of black lung. Initially it covered only a specialized class of maritime employees for injuries that occurred while in navigable waters. But Congress wasn't content to tinker with the black lung program in 1972, so it decided to tack several amendments onto the longshoremen's program. Now the program covers hundreds of thousands of workers, many of whom—pleasure boat builders and campsite employees, for example—rarely stray near water's edge during the course of a day. It's easy for a worker to get comfortable on disability benefits, which can be as much as $456 week and are fully indexed for inflation and tax-free. Often the worker is better off than he was before his injury. In addition, these disability claims are easy to qualify for because they're considered valid unless proved otherwise. Even if the claim is challenged, the worker can pick his own doctor to verify his injuries. Best of all, if the injury is ruled "permanent" a worker keeps receiving benefits even after he goes back to work. It comes as no surprise that claims have more than tripled since 1972 and cost $263 million last year.

—Mairi N. Morrison

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plagued by all the typical problems of compensation. The wage-loss formula was designed to compensate workers for actual wages lost due to injuries. It eliminated lump-sum payments for permanent partial disabilities, which had covered a wide range of injuries, including relatively minor ones.

Though only a piecemeal solution to the national problem, the Florida reform has been a success so far. Since it passed in 1979, the cost of insurance premiums to business has gone down almost 50 percent, because unnecessary lump-sums have been eliminated. What about compensation lawyers in Florida? Well, they're not eating much prime rib these days. Their number has plummeted from 200 to about 10, according to one compensation lawyer. Lump-sum settlements dropped from more than $25 million in 1978 to less than $5 million in 1982.

But back to the cold weather in Delaware. Two lawyers by the names of Harry Rubenstein and John Schmittinger were lobbying heavily against the bill. Rubenstein and Schmittinger, as you might have guessed, make their living from workers' compensation cases.The pair did good work—the bill was defeated in June 1982—but they didn't do it all alone. Interestingly enough, the insurance industry, which initially had been cheerleading for the bill, lost its enthusiasm when the state senate added an amendment mandating a 26 percent cut in premiums that would take account of investment income.

Comp & Circumstance

Unions and compensation lawyers have been much more amenable to reform that would aid occupational disease victims. They were instrumental, for example, in the passage of the Black Lung Benefits Act of 1969. Today the big push is behind a bill in Congress to aid asbestos victims, which was written by Representative George Miller of California. But the problem with the Miller bill is the problem of limiting reform to, say, state-legislated wage-loss programs like that of Florida: it's simply not comprehensive. Instead of addressing the problems of workers' compensation as a whole, or even the problems of occupational disease as a whole, it focuses mainly on asbestosis. It's another patch for the quilt of assorted programs we already have, a quilt with lot of gaps, overlaps, and wasteful embellishment (see sidebar on page 21 on the Black Lung Benefits Act and the Longshore and Harbor Workers' Compensation Act).

Workers' compensation has turned out to be a failure. Yet it is but one dramatic example of a much bigger failing: our society takes care of its individuals not according to fact of need but according to circumstance of need. The unmarried 23-year-old laid off after working less than a year may get the same unemployment benefits as the laid-off 38-year-old with four kids and an invalid spouse at home. Medicare will pay all the hospital bills for an advertising account executive who is dying of heart disease; it won't pay for nursing-home care for a librarian because he happens to be dying of, say, multiple sclerosis. And a mother on welfare may not be able to afford to feed her children adequately because she happens to live in Mississippi rather than California, where welfare checks are five times as high.

The way to care for our needy is not to add a few more swatches of fabric to the quilt of social programs, but to weave one cohesive federal program—one that provides medical care and adequate income to those who are disabled, or out of work, regardless of the reason.

Such a system would eliminate the farcical lengths to which workers have to go to collect claims. It would also, some would argue, eliminate the only incentive industry has to clean up the workplace. But the point is, as we've seen, that the present system doesn't do a very good job of providing this incentive either. It often merely socializes human costs of production rather than assigning them to a particular industry, where they belong. A better way would be to impose industrial taxes—the worse the record of injuries, the higher the assessment; in addition, flagrant violators should face vigorous criminal prosecution.

But this system would go far beyond providing for injured workers. After all, if we are going to help the worker who contracted asbestosis on the job, why shouldn't we provide for his wife who contracts asbestosis from washing the white fibers out of his clothes every evening or who, say, gets cancer for no other apparent reason other than that some people simply get cancer? Or, for that matter, why shouldn't we provide for his next-door neighbor who is out of work, not because of injury but because the economy is depressed and he's been laid off and can't find another job?

The answer is that we should. The workers' compensation system is a case study in the folly of trying to tailor a different relief for every kind of need. The lawyers and insurance companies might not do better under a greatly simplified system. Those who truly need the system would. To them, their origin of suffering makes little difference. ■

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IN REPLY REFER TO DCRN-HMEM

29 November 1983

SUBJECT: Capturing Unaccomplished Workload

TO: SEE DISTRIBUTION

1. DLA Headquarters is determining our resource (manyear) requirements solely on work accomplished. Therefore, it is extremely important that we receive credit for our entire workload, including work "not" accomplished. The Commander has directed the identification of "unaccomplished" workload which may exist in your functional area as either a backlog or work which is done with the use of "shortcuts" due to time and personnel constraints.

2. The attached form has been developed to define/measure unaccomplished workload. Request a copy of this form be completed and sent to DCRN-HMEM each time unaccomplished workload is identified. The information supplied on the form must be specific, verifiable and quantifiable in order that this office may present it as earned hours to DLA Headquarters to justify additional resources.

3. Contact point for this project is Renate Kaminski-DCRN-HMEM, X3024.

FOR THE COMMANDER:

Encl

FRANKLYN B. JACOBS
Director, Office of
Planning and Management

Distribution
"D"

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REPORT OF WORK NOT ACCOMPLISHED

PURPOSE: TO CATEGORIZE/DEFINE WORK NOT ACCOMPLISHED OR PERFORMED USING "SHORTCUTS" DUE TO TIME AND PERSONNEL CONSTRAINTS.

ACTIVITY: _____

WORK CENTER: _____

1. CONTRACT NUMBER(S), PROJECT TITLE OR TASK: _____

2. DESCRIPTION OF WORK NOT COMPLETED OR PERFORMED USING SHORTCUTS: _____

_____

_____

_____

3. APPROXIMATE NUMBER OF HOURS REQUIRED TO COMPLETE WORK: _____

4. WHICH POSITION IN THE ORGANIZATION PERFORMS THIS WORK: _____

5. WORK NOT BEING PERFORMED IMPACTS:

QUALITY OF WORK: _____ PROCUREMENT: _____

QUANTITY OF WORK: _____ DELIVERY: _____

6. REASON WORK WAS NOT COMPLETED (TIME LIMIT, INCREASED WORKLOAD, PERSONNEL VACANCIES, ETC.) _____

_____

_____

7. WAS OVERTIME OR COMPENSATORY TIME CONSIDERED TO ACCOMPLISH WORK :

YES _____ NO _____

IF CONSIDERED AND/OR NOT USED, WHY ? _____

_____

8. IS WORK COVERED BY A SPD STANDARD ? YES _____ NO _____

IF YES, WHICH STANDARD: _____ MANHOUR CODE: _____

SUPERVISOR'S SIGNATURE _____ EXT. _____

DATE SIGNED _____

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Illustration by Susan Harlan

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Environmental Reporters: Prisoners of Gullibility

A year ago, the newspapers were filled with headlines about the misdeeds of Anne Burford and Rita Lavelle at the Environmental Protection Agency. Then came the appointment of William Ruckelshaus as EPA director and the furor died down. Ruckelshaus is, after all, a political moderate and a man with an unimpeachable reputation. He led the EPA in its early days as a crusader for a cleaner environment. He is probably even better known as one of the few Republicans whose reputations were enhanced rather than destroyed by Watergate. (Along with his boss, Attorney General Elliot Richardson, Deputy Attorney General Ruckelshaus resigned rather than carry out President Nixon's order to fire Archibald Cox, the special prosecutor.) Even Ruckelshaus's opponents in the environmental community concede that he is, as one of them puts it, "a decent, competent person." I agree: Ruckelshaus is an able and engaging man who probably would like very much to head an EPA that he can be proud of. But I don't

Jim Sibbison is a former reporter for the Associated Press and press officer for the EPA. Research for this article was partially funded by a grant from the Fund for Investigative Journalism.

BY JIM SIBBISON

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believe—as many reporters seem to—that the EPA's troubles are over just because it's now being administered by a nice guy. True, the blatant mismanagement and conflict of interest that characterized the EPA under Burford seems to have ended with her departure. But there is also ample evidence—though underreported in the press—that the basic scandal at EPA remains. Starved for budget funds while staggering under the weight of new responsibilities, the EPA is unable to adequately enforce environmental regulations. How can industry take seriously a government agency so visibly torn between its shrinking resources and its sweeping mandate to rid the air, water, and land of contamination? Unfortunately, the high pitch of emotion over the mismanagement by Burford was never translated into a high pitch of emotion over the ongoing damage that's been done to the agency. I believe a great deal of the problem has to do with the press's dependence on official sources in covering the EPA.

I happen to know a lot about the way EPA press officers get the media to tell the story the EPA's way, because I used to be one. I worked for Ruckelshaus and his successors from 1970 to 1981. One of the first things I learned in the job is that reporters take too much on faith what the government tells them. To be sure, with the advent of the investigative journalism vogue, the credulous status quo has occasionally been shaken up. But most of the time the EPA's press releases go unchallenged. It is easy to see why. For one thing, the subject is forbiddingly complex. The effect of a variety of chemicals on the air we breathe and the water we drink isn't always immediately understandable to sophisticated scientists, so how can reporters feel confident challenging what we tell them? This problem is compounded by the fact that few reporters cover the EPA beat full-time. The unhappy result is that bureaucrats who support bad policies are protected, while would-be whistleblowers are ignored. Let me show you how the process works.

The bluffing sheriff

The first observation I'd like to startle you with is that press officers can do a lot of good. To hear the professors of journalism tell it, government press officers are useless middlemen who are hostile to the public interest. But at our best, the brotherhood of press officers has turned news management into a public-spirited enterprise, using its power to promote the good our agencies can do rather than to cover up their negligence or active harm.

That's the way it was at the EPA back in the early seventies, during Ruckelshaus's first term as head of the agency. In those days, the idea was to get the media to help turn the EPA into an enforcer that struck fear into the heart of polluters. As Ruckelshaus explained it to *Time* magazine, the policy was to single out "violators with the greatest visibility." This, he says, "got the message across" to those who might be tempted to follow the same path. The role of Ruckelshaus's press officers in this process was crucial.

Call it hubris, but I came to feel that we press officers were the real journalists and the reporters were the publicists. We rarely saw any of them except at news conferences; most of the time they would simply consider the merits of the press releases we sent them by messenger, then rewrite them or toss them into the wastebasket. Naturally, we took pride in seeing our press releases rewritten in the newspapers. (For example, I remember a young newcomer to the press office basking in glory when "his" first major feature story appeared in *The New York Times*.) We could even take credit for some scoops. Once, for example, UPI beat AP and *The New York Times* with an EPA story on the front page of the *Times*. It turned out that UPI couldn't attribute this coup to any particular initiative on its part, but rather had beaten its competitors because our messenger had failed to deliver the handout to the AP and *Times* offices after he dropped one off at UPI.

Our press releases were more or less true; the air and water really were dirty, and we really were out to make it cleaner. Few handouts, however, can be completely honest, and ours were no exception. The deception lay in what we didn't say. The main thing we tended to omit was that we weren't able to do as much about the problems we were complaining about as we implied. We might, for example, announce restrictions on a cancer-causing pesticide without mentioning precisely what we would do to enforce those restrictions. The idea was that our capability for retribution was better left to the imagination. Like a sheriff facing down a band of outlaws with one bullet left in his gun, we found it useful to pretend that a fearsome posse was just about to round the corner behind us.

One major story we promoted in those pre-Reagan years was the discovery of cancer-causing chemicals in the nation's drinking water. Begin-

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ning in the early 1970s, the EPA had discovered that the chlorine used by city governments to disinfect the water was combining with otherwise harmless organic chemicals to form carcinogens. The leaders of the EPA's water-supply program called for heavy publicity, and we gave it to them. In 1974, a series of scare headlines about cancer and drinking water broke out in the press. Harold Schmeck of *The New York Times* caught the spirit when he covered a news conference conducted by Russell E. Train, then the EPA administrator. "The Environmental Protection Agency," Schmeck wrote in a page-one article for the *Times*, "has found the drinking water of 79 American cities polluted with traces of organic chemicals, including some that are suspected of causing cancer. The agency has concluded that the problem exists throughout the country."

By the time Schmeck's article appeared, the EPA had already gotten what it wanted out of such publicity: a Safe Drinking Water Act signed by President Ford. Our efforts then turned to convincing the public that the law would be effective. Gladwin Hill wrote another front-page piece for the *Times* when the new program went into effect, proclaiming the dawn of "a new era... in the supply of the nation's most widely used commodity, drinking water." From then on, "the purity of drinking water and other aspects of the operation of 240,000 water systems came under the supervision of the federal government."

That was in 1977. Since then, the EPA (and, consequently, the press) has gradually come to talk less and less about safe drinking water, while city governments have, alas, gradually caught on to the idea that our efforts weren't quite as awesome as Gladwin Hill foretold. It turned out the EPA wanted some big cities to install costly activated carbon equipment to filter out the carcinogens. The water treatment operators refused, and that was the end of it. We have no reason to believe our drinking water is less carcinogenic now than it was ten years ago, but for obvious reasons, the EPA isn't eager to bring this up.

The same pattern occurred with the EPA's effort to require companies to deposit hazardous wastes in government-approved landfills, in the hope that it might prevent calamities such as the one that occurred at Love Canal. Here again our publicity bombardment initially proved beneficial for the citizenry. *Time* magazine published a cover story called "The Poisoning of America," which pointed out that the U.S. was creating "more than 77 billion pounds of hazardous chemical wastes a year," of which "only 10 percent are being handled in a safe manner." When the EPA issued regulations to require safe deposit of these wastes, a *Washington Post* editorial headlined "No More Love Canals" said, "EPA's decisions so far, though very slow in coming, appear to represent a model of a mature, cost-conscious but vigilant regulatory effort." We couldn't have put it better ourselves.

So how effective were our efforts in the following years? I'm sure you have no idea. When Anne Burford became the new administrator in 1981, the EPA stopped talking about the program. Ever since, we have seen very little in the press about this important program.

In both of these cases, the laziness of the press was initially helpful to the cause of cleaning up the environment because it led reporters to make the EPA out to be a ruthless enforcer of its policies. In the long run, however, the willingness of the press to allow the EPA's press officers to manage the news proved harmful. The companies

(*Continued on page 32*)

> Call it hubris, but I came to feel that my fellow EPA press officers were the real journalists, and the reporters were the publicists.

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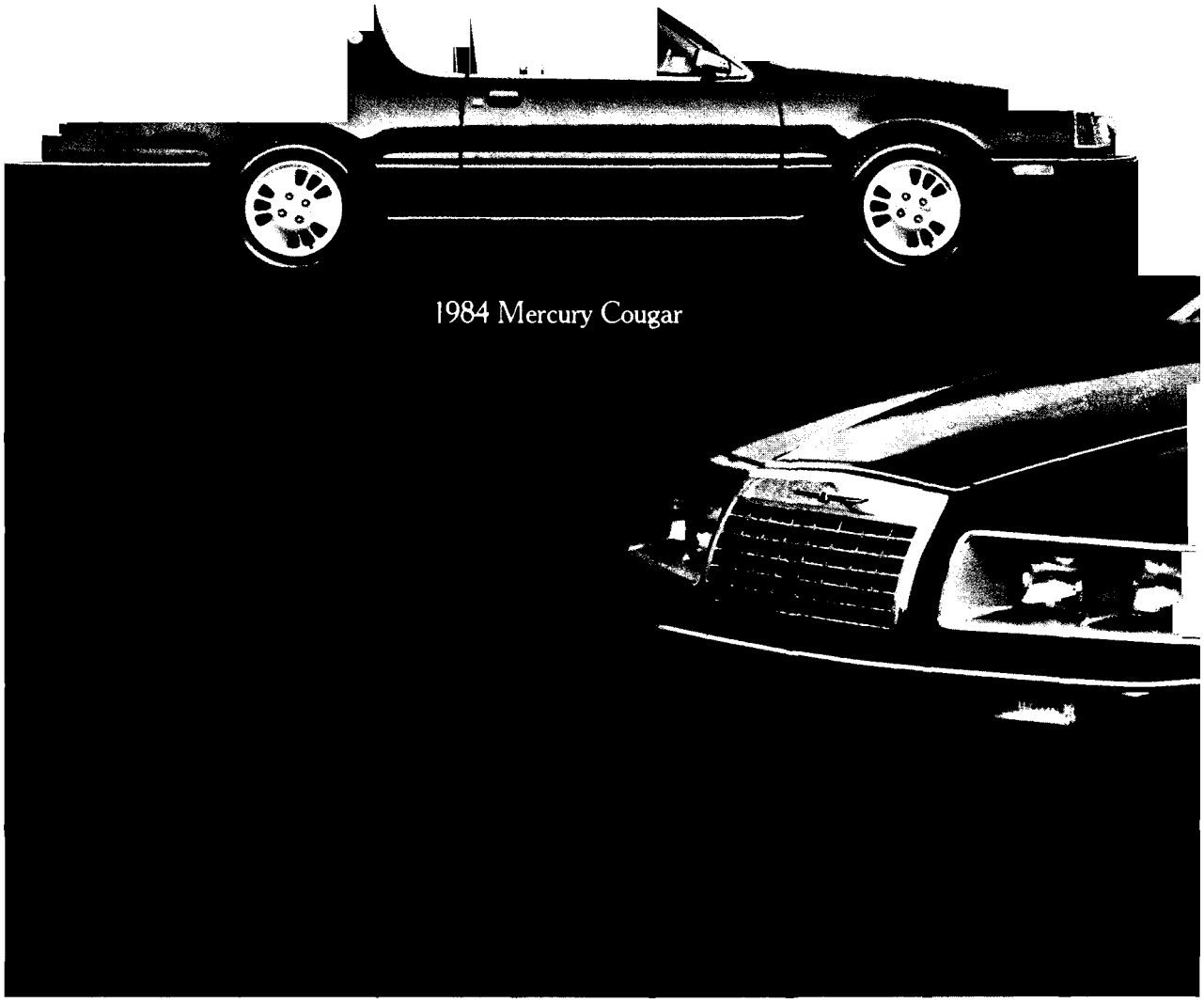
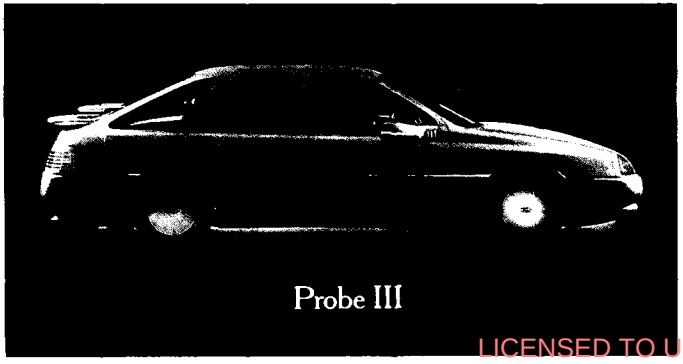


Vision Becomes

The Vision

The visionary cars of the future are always sleek and elegant and technologically sophisticated. Unfortunately, they usually possess one terrible flaw. They're never real, always remaining the stuff of dreams and imagination, always on the drawing board, but never on the road.



In the late seventies, Ford Motor Company began development of the Probe Series, producing some of the most aerodynamically-efficient cars of the time. Aerodynamically-efficient design can achieve better handling and stability, better fuel economy and a quiet ride.

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Get it together—Buckle up.

Reality.

The Reality

You saw the reality born of that vision in February of last year, with the introduction of the Thunderbird and Cougar.

You saw it again in May, with the debut of our Ford Tempo and Mercury Topaz. And in November, when we introduced the new Mark VII.

Making our vision a reality required inventiveness and creativity, a renewed commitment to quality and workmanship, and a new spirit of cooperation between labor and management.

But most of all, it required a desire to be the best.

1983 was the beginning of the greatest outpouring of new products in our history: Automobiles of elegance and power, sleekness and beauty, quality and precision. Automobiles that in the words of Car and Driver "simply change the rules in the domestic car business."

You can see all the 1984 models at Ford and Lincoln-Mercury dealers everywhere.

Ford

Quality is Job 1.

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(Continued from page 29)

involved in our cleanup efforts were bound to learn sooner or later of the weaknesses in EPA regulation, because their livelihood depended on it. (In fact, the business newsletters have always covered the EPA better than any of the other beat reporters.) Meanwhile, most reporters have made little effort to learn where the EPA falls short of its promises. The result has been that the public allows the EPA's failures to continue.

in metropolitan Los Angeles, where a chemical dump exploded and burned, has been approved by the U.S. Environmental Protection Agency." Byron Nelson, Anne Burford's public relations director, deleted the words "exploded and" because he thought they were alarmist.

In the same press release, I invented a quote for Anne Burford, as press officers frequently do for their bosses. (Sometimes the administrators get a chance to approve such quotes before they are sent out; more often, they never have any idea what is being said on their behalf by their underl-

Reporters learned from the Burford regime that they should have never trusted the bad Burfordites. Instead, they should have learned to mistrust official sources generally.

Blue pencil blues

With the appointment of Anne Burford to head the EPA, the agency's press officers found themselves marching to new orders. Previously, the EPA had sought to whip the public into a frenzy about the environment; now, a less, shall we say, *active* administration wanted to try a cooler approach. The rules of the game were thus reversed for those of us who wrote the press releases. Where once we had written freely in our news materials about the hazards of chemicals, employing words like "cancer" and "birth defects" to splash a little cold water in reporters' faces, suddenly we were urged to be more cautious.

When we broke these rules, we were censored. Once, for example, I wrote a draft of a news release that said a pesticide called dibromochloropropane (DBCP) was suspected of causing cancer, and that some workers handling it had become sterile. A reviewing official in the administrator's office crossed out "sterility" and wrote in "adverse health effects." The reference to cancer was deleted. Another time I began a press release this way: "An expenditure of $250,000 for emergency cleanup work at a site

ings.) "We acted immediately," I had Burford saying, "because of the risk of another fire from about 5,000 drums on the site that are still intact. I am told [nice touch of verisimilitude, don't you think?] that the primary job now is to remove those drums and safely dispose of the remaining contaminated water." Nelson cut all this out too; apparently my ear for dialogue was no longer up to EPA standards.

Those of us inside the EPA who saw the agency's regulatory efforts being undermined and wanted to tell our story grew more and more frustrated at the failure of the press to seek us out. Finally, a few of us decided to seek the press out. Our leaking efforts brought mixed success. In October 1981, for example, a senior scientist named Adrian Gross risked his own job (he was later demoted) by calling *The Washington Post* newsroom with a warning that the EPA's new Reagan-appointed scientist, John Todhunter, was allowing the use of one of the most toxic of all pesticides, a then little-known carcinogen found in citrus fruit and in the wheat used in baking bread. It was called ethylene dibromide (EDB). Todhunter dismissed the issue by telling the *Post* that Gross was a "complainer." The *Post* portrayed the whole thing as a typical fight between

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scientists at the EPA, then dropped it. For more than two years, the *Post* and the rest of the press were content to let us go right on consuming EDB with our food. It took a national scare over foods in grocery stores contaminated with EDB to force the EPA, in 1984, to ban its use on wheat and other grains. (EDB is still allowed to be used on citrus fruit.) By that time, it was a government-authorized news story, so the press gave it big play.

I had better luck when I decided to leak the story of the EPA's censorship of its own press releases. The reporter I turned to, Frank Greve of Knight-Ridder, took the story to John Hernandez, then deputy administrator to Anne Burford. (Hernandez subsequently left along with Burford and Lavelle.) Why, Greve asked, were words like "hazard" being snipped out? Hernandez answered, "It's become a 'trigger word' that excites the American public needlessly." Hernandez preferred that his press officers instead use the phrase, "degree of hazard." Greve also asked Hernandez about the EPA's omission of the word "cancer" from its press documents. Hernandez acknowledged that "the average citizen is going to hear that his life is threatened by some chemical many fewer times," but assured Greve that "when there is a serious problem, we certainly will ring the bell."

Greve is no longer covering the EPA, which is a shame because his reporting stood head and shoulders above the rest in its ability to penetrate the middle level of the bureaucracy, where the real work gets done. One advantage Greve had over other reporters was that his editor was less interested in the day-to-day news than in the idea of how a government agency changed in the transition from Carter to Reagan. (The original idea was to cover a wide range of agencies, but they later decided to focus just on the EPA.) In the nine months Greve had the assignment, he made a point of going every day to the EPA offices, dropping in on not just the official sources at the top but also on the GS-12s and GS-13s, asking them what was going on, and if they had any story suggestions. He also put his card up on the cafeteria bulletin board (a not-so-subtle hint to would-be leakers—it was taken down because he didn't have permission), and took to hanging out at the Barley Mow, a bar in Southwest Washington frequented by EPA bureaucrats. All of these were fairly common-sensical and ordinary things to do; we're not talking here about 2 a.m. meetings in garages, or mysterious calls to pay phones, or blindfolded car rides out to hideouts in the country. But for some reason Greve seemed to be the only person making these simple efforts with any consistency. The result was that Greve got some excellent stories—not just the censorship story, but also a wonderfully detailed story about the abolition of the EPA's noise-control program, another about mass resignations by demoralized EPA employees, and another about the role of industry lobbyists in selecting Anne Burford to head the EPA.

Rooting for Ruckelshaus

I'd retired by the time of the next episode in the saga of the press and the EPA, which should be familiar to everyone: a congressional investigation revealed that Rita Lavelle lied about her knowledge of a conflict of interest with her former employer, Aerojet, and that the agency was too friendly to business interests in general. The press jumped on the scandal story, with the result that Lavelle and Burford were sent packing.

The administration was shrewd enough to know that it needed a white knight, and it found him in William Ruckelshaus. A few people grumbled about Ruckelshaus's industry ties (he was senior vice president at Weyerhaeuser), but most remembered him as the dedicated first administrator of the EPA and the man who had too much integrity to fire Archibald Cox. It seemed likely that he would treat the EPA's mission with more seriousness than Burford ever had.

I honestly couldn't tell you whether Ruckelshaus remains committed to the EPA's goals, as his coverage in the press tends to suggest. But let's assume, for the purposes of argument, that he does. That still isn't the same as succeeding; there remains the problem of actually getting the bureaucracy to follow through on the day-to-day drudgery of monitoring and enforcement. What would be a difficult job under the best of circumstances is made virtually impossible by the White House's unwillingness to fund the EPA adequately. Ruckelshaus can probably take some credit for next year's $1.209 billion budget—an 8 percent increase from last year, much touted by President Reagan in his State of the Union address this past January. But that increase will leave the EPA with less than the $1.35 billion the agency got in the last year of Carter's administration. At the same time, in the intervening years there has been an increase in the agency's responsibilities, perhaps the best-known example being the administration of the Superfund.

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Lunch with Bill

Every two weeks, a handful of Washington correspondents bring brown bag lunches up to the EPA's 12th-floor dining room and break bread with William Ruckelshaus. Over the corned beef, and with a commanding view of the Potomac, these chosen few ask "Bill" about his agency. There is no pecking order. There is a feeling of collegiality. And the questioning is polite and restrained.

The reporters are divided into "A" and "B" groups and are invited on a rotating basis—never more than nine at a time. They are selected among the nation's leading news outlets—*Time*, *Newsweek*, *The New York Times*, *The Washington Post*, the networks, and so forth. For the most part, the reporters who attend are pleased with the arrangement. *The New York Times*'s Phil Shabecoff calls them "useful," though "not as good as a one-on-one interview." UPI's Robert Sangeorge says he likes the "access" to Ruckelshaus: "It really gives me an insight into his thinking and policy formulation." Sangeorge also likes the civility of it. "I would rather be cordial with the agency people I cover," he says. "I would rather have courteous dealings."

It is reasonable to wonder whether this genteel attitude is a healthy thing for the press and our nation's environment. One day Martin Crutsinger of AP turned to Cass Peterson of *The Washington Post* at one of Ruckelshaus's lunches and asked her, "Do you ever get the feeling we're being coopted?" When I asked Crutsinger about this he laughed, then admitted, "It's pretty hard to ask tough questions when you're breaking bread with the guy."

It's a little easier to ask those sorts of questions at a press conference. To his credit, Ruckelshaus averaged about one press conference every four weeks back in his first term at the EPA. But since he arrived last year, he's held only two press conferences in Washington. Obviously he finds the brown bag lunches more congenial. As Crutsinger notes, "they've produced no major news."

—*Charles Rogers*

Charles Rogers was the first director of the EPA press office.

Suspicious that these numbers suggested that the EPA wasn't as far along the road to rehabilitation as the press seemed to indicate, I decided to make an informal inquiry into what the EPA is doing and, more important, not doing. One thing that I hadn't heard much about lately was the EPA's goals for clean air and clean water. To be sure, there had been some talk about overhauling the Clean Air Act and the Clean Water Act under Burford. But that had sparked immediate and violent controversy, and she backed off. Since then, there has been little discussion about whether those laws are being enforced with the kind of vigor that they have in the past.

I called the EPA and asked for a rundown on air and water quality. In reply, the agency mailed me a publication called "National Air Quality and Emissions Trends Report, 1981." It would take an engineer to interpret it. I also received an old press release quoting Kathleen Bennett, who was head of the air program under Burford, saying that the air was getting cleaner from 1975 to 1981. Both documents were largely irrelevant since, except for 1981, these were pre-Reagan years, and I was given no information on the quality of U.S. waterways.

I next pursued the matter with Lewis Crampton, director of the EPA's Office of Management Systems and Evaluation. He showed me a map of the United States with many metropolitan areas shaded black to indicate unhealthy air. The deadline for most air pollutant cleanups, he said, was 1982. No cities were identified by name. He also told me many waterways were still polluted across the country, and that the EPA gives $2.4 billion each year to cities for sewage treatment plants. The deadline for clean water had also passed, and goals for cleanup remained unmet, and were likely to for years. Again, he did not provide me with a list showing specifically where the dirty waterways were. This struck me as very strange. Back in the pre-Reagan era, we at least had announced periodically in press releases the state of the nation's air and water cleanup efforts.

I came away from the meeting with a newfound respect for how Ruckelshaus manages to keep such obvious embarrassments out of the news. Press accounts portray him battling valiantly with the White House for a larger budget; one story in *The New York Times* even revealed that he upbraided his own agency's enforcement staff for dragging its feet. But rather than highlight agency failures, these articles have the peculiar effect of keeping attention riveted to Ruckelshaus's good intentions, a theme that

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Ruckelshaus no doubt encourages in the periodic brown bag lunches he holds with reporters (see sidebar, page 34).

Ruckelshaus's mastery of public relations is illustrated by the heavy mileage he's gotten in the media on the issue of acid rain. In a marked departure from Anne Burford, who had insisted on ten more years of study before doing anything about acid rain, Ruckelshaus (with Reagan's explicit blessing) initially went all out to publicize the issue. The result was a series of stories predicting a frenzy of activity. Phil Shabecoff, of *The New York Times*, who probably covered the agency as well as anyone else after Greve moved off the beat, wrote a story headlined, "Acid Rain Options To Be Listed Soon." David Shribman, also of the *Times*, wrote a story headlined, "U.S. and Canada in Acid Rain Accord." And so it went. Associated Press: "EPA Chief Said Considering Reduced Acid Rain Cleanup Plan." Cass Peterson, *The Washington Post*: "The arduous process of policy options [on controlling acid rain] is headed into extra innings."

Then came the bad news from Nova Scotia. Ruckelshaus had the gall to show up at a news conference there with a cap emblazoned with the message, "Stop Acid Rain." He then announced that there would be no timetable for reducing acid rain. David Stockman had vetoed the plan on the grounds, among other things, that it would cost $6,000 for every fish.

After the acid rain debacle, Shabecoff wrote, "Mr. Ruckelshaus has, by most accounts, attacked acid rain with considerable vigor, but has run into political complications." But this was no time to make excuses for Ruckelshaus; the story was not intentions but results.

Results can be hard to quantify. But this, in the end, is what makes life so easy for government agencies: by distracting reporters with a press release here, a leak about "political complications" there, they can keep reporters from making a serious effort to probe the bureaucracy and find out what happens to all the good intentions and well-thought-out regulations when they reach the level of day-to-day management. And of course, not even a probe of the Washington bureaucracy's middle ranks can give you the best picture of how good a job EPA is doing; to get that, you need to get out into the field and talk to engineers and environmentalists and businessmen.

Reporters need to understand there is more to covering an agency than keeping abreast of press releases and office politics at the upper levels. The lesson of the Burford regime should have been that the official sources didn't give you the story; instead, reporters seem only to have concluded that you shouldn't believe the Anne Burfords of the world.

Ruckelshaus is managing to avoid taking the blame for his agency's failures because he is counted among the good guys. Those who are perceived as the good guys never have been subjected to as much skepticism as the Burfords have. This was true of the coverage of the Peace Corps in the early sixties, when it was perceived almost exclusively as the embodiment of the Kennedy ideal of sacrifice rather than an agency that had to teach people to dig wells and plant grain. And it is true of the coverage of the EPA today, where the real story isn't William Ruckelshaus's good intentions—or Ruckelshaus at all—but the performance of an organization pledged to do countless mundane tasks to achieve a clean and healthy environment.

The truth of the matter is that official sources alone will never give you an accurate picture of an agency's successes and failures. Take it from me. I used to be one. ■

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Have a question about Phillips Petroleum? Or the energy industry? These public relations specialists can get answers for you:

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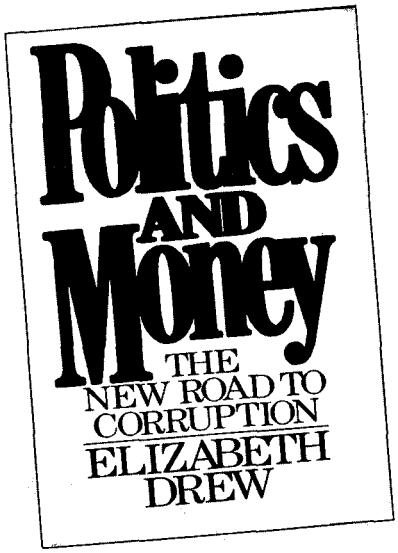

Macmillan, $11.95

The Political Book Award for 1983 goes to *In Search of Excellence: Lessons From America's Best-Run Companies*, by Thomas J. Peters and Robert H. Waterman Jr.; *Politics and Money: The New Road to Corruption*, by Elizabeth Drew; and *The Wizards of Armageddon*, by Fred Kaplan.

Drew's book addresses a familiar problem—the pernicious influence of PACs on our politics—but she brings to her book a fine sense of the details of political life and a genuine outrage over the corruption that PACs can breed. Of particular value is her exploration of the difference between "hard" and "soft" money—the latter being campaign money that gets around expenditure limits by being funneled through independent committees. Drew's book is the best overview available today of the PAC problem.

Fred Kaplan's *The Wizards of Armageddon* is a vivid collective portrait of the Defense intellectuals who have shaped our nuclear policy. Reviewing the book in our September issue, James Fallows noted that Kaplan's emphasis on "personality" is effective because of the narrative's "control and finesse," and because, "more than most other areas of public affairs, personalities *are* policy. People may argue over David Stockman, but eventually they can examine the effect of his ideas; they may

THE FINALISTS

America's Hidden Success: A Reassessment of Twenty Years of Public Policy
John E. Schwartz
Norton, $19.95

The Anatomy of Power
John Kenneth Galbraith
Houghton Mifflin, $15.95

The Command and Control of Nuclear Forces
Paul Bracken
Yale University Press, $19.95

Dangerous Currents: The State of Economics
Lester Thurow
Random House, $16.95

The Diplomats
Martin Mayer
Doubleday, $17.95

Down & Out in the Great Depression
Robert McElvaine, editor
University of North Carolina Press, $23/$8.95

Farewell to the Party of Lincoln: Black Politics in the Age of FDR
Nancy J. Weiss
Princeton University Press, $32.50/$12.50

Fiasco
Jack Anderson with James Boyd
Times Books, $17.50

In the Shadow of FDR: From Harry Truman to Ronald Reagan
William E. Leuchtenburg
Cornell University Press, $19.95

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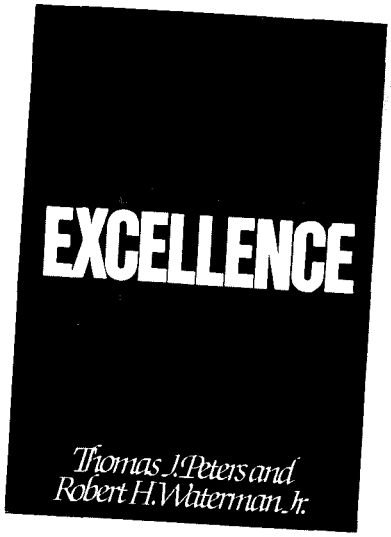
NUAL
ok Awards

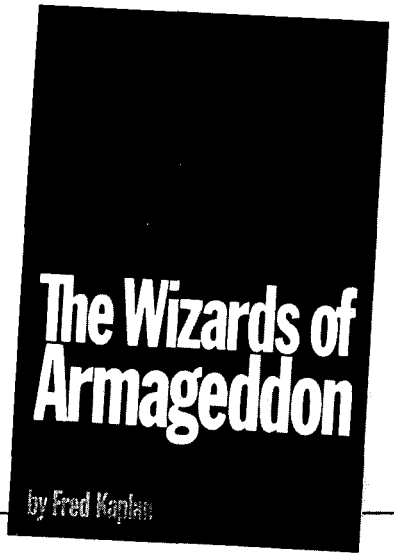
love or hate George Patton, but finally they can judge his record. There can be no empirical test of [nuclear] theories—unless they are proven to have failed by the outbreak of a war. Therefore, the force of the contending personalities, their dexterousness at theoretical argument and political positioning, could shape the doctrine under which these weapons of destruction are deployed." We would add further that a full understanding of personalities such as Herman Kahn, Albert Wohlstetter, and Bernard Brodie makes their strategic theories far more accessible than they have ever been in the past.

For a discussion of *In Search of Excellence*, see Phillip Keisling's article, "Economics Without Numbers" on page 40.

Finalists are listed below.



Harper & Row, $19.95



Simon & Schuster, $18.95

Inevitable Revolutions: The United States in Central America
Walter Lafeber
Norton, $18.95.

Industrial Renaissance
William J. Abernathy, Kim B. Clark, Alan M. Kantrow
Basic Books, $19

The Next American Frontier
Robert B. Reich
Times Books, $16.60

The Oil Follies of 1970-1980
Robert Sherrill
Anchor/Doubleday, $19.95

On Reagan
Ronnie Dugger
McGraw-Hill, $19.95

The Other Candidates
Frank Smallwood
University Press of New England, $20/$9.95

Profits Without Production
Seymour Melman
Knopf, $18.95

The Roots of Treason: Ezra Pound and the Secret of St. Elizabeths
E. Fuller Torrey
McGraw-Hill, $19.95

The Rosenberg File: A Search for the Truth
Ronald Radosh and Joyce Milton
Holt, Rinehart, and Winston, $22.50

The Tarnished Door: The New Immigrants and the Transformation of America
John Crewdson
Times Books, $17.95

The Threat: Inside the Soviet Military Machine
Andrew Cockburn
Random House, $16.95

Why Courts Don't Work
Richard Neely
McGraw-Hill, $15.95/$7.95

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WHO'S WHO in the Administration

Lawrence Eagleburger, the undersecretary for political affairs at the State Department and the man who, along with George Shultz, is *the* architect of this administration's Mideast policy, will leave the government this summer. Now, when we're virtually at war in Lebanon, who do we have to take his place? We asked a source who is knowledgeable about Mideast policy to survey the field. He said there's nobody in the White House who's qualified. He said there's nobody in Foggy Bottom either. Then, after scratching his head awhile, he concluded there's only one man for the job: **William Eagleton**, the current charge d'affaires in Baghdad. Eagleton's served in tough posts—Libya and Algeria—and our source says that he's the sleeper in this horserace. . . .

Last January, you'll recall, **Jesse Jackson** was rebuffed when he asked the Democratic National Committee to lower the "threshold" to win delegates from 20 percent to 10 percent. **Walter Mondale**, sensitive to criticism that he's trying to stack the deck against a minority candidate, was willing to agree to the reduction, but **Charles Manatt**, the party chairman, wasn't. As a result, reports Howell Raines in *The New York Times*, Manatt may face retribution—not from Jackson, but from Mondale, whose campaign officers were infuriated by Manatt's stubborn refusal to tinker with his precious Hunt Commission's recommendations. . . .

In our January issue, when this column bemoaned the absence of military reformers among Senate Republicans, we overlooked two exceptions. One is **Charles Grassley**, who pushed Pentagon whistleblower Chuck Spinney into the limelight and who is now pushing a "creeping capitalism" bill to increase bidding for military spare parts. (According to the GAO, less than 6 percent of all Pentagon contracts are put up for competitive bidding.) The other is **Nancy Kassebaum**, who has quietly emerged as one of the most conscientious senators. She is the female Tom Eagleton, the kind of caring, common-sensical person you'd like to have for a neighbor. . . .

Another sign that **Caspar Weinberger** triumphed over **David Stockman** on this year's Defense budget is that the number of budget examiners assigned by the OMB to scrutinize Pentagon costs has been reduced from 32 to 24, as the Pentagon's share of the national budget continues to soar. . . .

In

COMMERCE

Undersecretary of Economic Affairs—**Sidney Lewis Jones** has been a research scholar at the American Enterprise Institute.

Assistant Secretary of the Economic Development Administration—**Jane E. Newman** has been associate director of the White House presidential personnel office.

ENERGY

Assistant Secretary for Policy, Safety, and Environment—**Jan W. Mares** has been assistant secretary for fossil energy.

JUSTICE

Attorney General—**Edwin Meese III** has been counselor to the president.

STATE

Ambassador to the Vatican—**William A. Wilson** has been personal envoy of the president to the Holy See.

TRANSPORTATION

Assistant Secretary for Governmental Affairs—**Charles G. Hardin** has been majority staff director of the Senate Appropriations Subcommittee on Transportation.

TREASURY

Assistant Secretary for Legislative Affairs—**Bruce E. Thompson** has been assistant secretary for business and consumer affairs.

Assistant Secretary for Business and Consumer Affairs—**Thomas C. Dawson** has been deputy assistant secretary for developing nations.

Out

COMMERCE

Undersecretary of Economic Affairs—**Robert G. Dederick** has resigned to return to the Northern Trust Company in Chicago.

Assistant Secretary of the Economic Development Administration—**Carlos C. Campbell** is expected to be nominated as alternate executive director of the Inter-American Development Bank.

JUSTICE

Attorney General—**William French Smith** has resigned to return to the law firm of Gibson, Dunn, & Crutcher in Los Angeles.

AGENCIES AND COMMISSIONS

Administrator, Government Services Administration—**Gerald P. Carmen** is expected to be nominated ambassador to the United Nations in Geneva.

Public Printer, Government Printing Office—**Danford L. Sawyer Jr.** has resigned.

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Some readers expect their magazine to clothe them in opinions the way Halston or Bloomingdale's dresses them for the opera.

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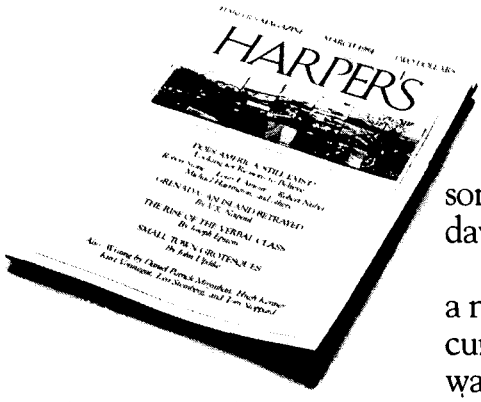

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Economics WITHOUT Numbers

At the beginning of February, *In Search of Excellence*, by Thomas Peters and Robert Waterman, was the best-selling book in America—56 weeks after it first broke onto the charts. Five years ago, if a book with this title had achieved similar renown, its subject doubtless would have been something like "personal growth." But the subtitle of Peters' and Waterman's book—*Lessons from America's Best-Run Companies*—reveals that its exhortations are not aimed at affecting our behavior as individuals, but at changing how we act collectively.

The phenomenon of *In Search of Excellence*—and that is precisely the correct word, with 1.4 million copies now in print—is a heartening sign of how popular tastes have undergone a sea-change in recent years. "Entrepreneurship," a word that once instantly identified the utterer as an enthusiast of Ayn Rand, is now often bandied about whenever academicians, journalists, and even presidential candidates discuss the economy; *In Search of Excellence* is also a top best-seller on college campuses. And if the public has been enthusiastic, many in the business community have taken to the book with the guilty zeal of converts at a revival meeting. A Ford Motor Company official recently told an assembly of executives, "We weren't on the list of excellent companies, and we didn't deserve to be. We intend to be five years from now." Charles Brown, the chief executive officer of AT&T, took his top executives on a two-day retreat to discuss the book. Donald Burr, whose fledgling People Express airline wasn't profiled in the book but well could have been, called *In Search of Excellence* "the most significant book about economics since Adam Smith's *The Wealth of Nations.*" Co-author Peters says that the reaction among corporate managers has "astonished him," adding, "There seems to be a real hunger out there to know more about how business works."

The country was also hungry for *In Search of Excellence*'s specific message. The several years preceding the book's publication were marked by the worst recession in half a century. Where American corporations had once ruled the globe, now they were running scared—in their own markets, no less—from foreign competitors. Japan, once a synonym for cheap and shoddy merchandise, suddenly was being celebrated for its high-quality products and management "culture." The public was bombarded with stories about early-morning calisthenics at Mitsubishi and quality circles at Nissan Motors.

In Search of Excellence brought welcome balm for America's battered self-image. There was a better, wholly indigenous solution to declining productivity and industrial decline, and Peters' and Waterman's argument was put in terms that most people could immediately grasp. Rather than imitate Japan Inc., American business would do better to imitate IBM and Maytag.

Peters and Waterman based their conclusions on an exhaustive, two-year study of about 75 "excellent companies," whose excellence they measured by the same yardsticks corporate

Phillip Keisling is an editor of The Washington Monthly.

BY PHILLIP KEISLING

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managers hold so dear: profit and rates of return. These "excellent companies," they discovered, shared common characteristics. They showed a "bias for action," preferring experimentation (and the inevitable mistakes) to painstaking study. They were almost obsessed with giving customers good service and giving their employees responsibility and rewarding good performance. They had lean staffs. They consciously avoided the acquisition of unrelated businesses and "stuck to their knitting." They eschewed rigid organizational charts, long memos, and the pursuit of short-term profits, and embraced flexibility and simple goals.

Perhaps most important, the excellent companies were characterized by a pervasive corporate "culture" that reflected their basic values. Caterpillar's belief in the importance of customer service is reflected in its pledge to deliver a part anywhere in the world within 48 hours—"Or Cat Pays." McDonald's puts an almost ubiquitous emphasis on "Quality, Service, Cleanliness, and Value." 3M shows its enthusiasm for innovation by supporting "champions," who are encouraged to experiment regardless of whether a practical application for their work is apparent. Delta Airline's executives (including the president) pitch in every Christmas to help with such chores as baggage handling. At Hewlett-Packard, executives manage by "wandering around," often spending more time on the shop floor than tending to financial reports. And IBM's concern for the morale of its sales force is illustrated—somewhat excessively, perhaps—in the story of the sales manager who rented Meadowlands stadium and, as employees ran out onto the field, flashed their names on the scoreboard.

Equally important were the attributes the excellent companies *didn't* share. Conspicuously absent from the "cultures" of these corporations were such things as thick manuals of procedure, an enthusiasm for mergers, and droves of business school graduates. At Dana, a $3 billion manufacturer of automobile and truck parts, the company president, Rene McPherson, eliminated time clocks and posted signs around the company that said, "Talk Back to the Boss." When McPherson later became dean of Stanford's business school, one associate dean was thrown into a panic. "I've just had my first conversation with Rene," he confided to Peters and Waterman. "Do you know that not one thing he did [at Dana] is even mentioned in the MBA curriculum?"

Photo by Tom Tuthill/LNS

In short, Peters and Waterman concluded that the excellent companies acted in ways that violated long-standing tenets of scientific management and "rational" business behavior. They thrived by emphasizing employees and customers—not the bottom line.

To some, that may sound simplistic, banal, or even somewhat corny. Many who've only glanced at *In Search of Excellence* are tempted to dismiss it as a sort of *I'm OK, You're OK* for corporate managers. But in this case, first appearances are wildly deceiving. For all its seemingly vague generalizations about the importance of corporate culture, *In Search of Excellence* is a truly revolutionary—and dangerous—book. It is revolutionary because it demonstrates, more conclusively than ever before, that what most of today's corporate managers and economists believe to be true is, to put it bluntly, dead wrong. The book is dangerous because of who its authors are. Peters and Waterman are management consultants who, between them, have 24 years of experience at McKinsey and Company, a firm accorded the same respect from corporate managers that IBM usually receives from computer users. *In Search of Excellence* was no sniper's shot from behind the rocks, no ideologically motivated brief against the corporate state. For those who cling to the conventional wisdom about how the economy and

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businesses operate, it was far worse. It was as if a spokesman for the College of Cardinals had suddenly stood up during the Pope's Sunday liturgy and, to the astonishment of the worshiping masses around him, had cried, "Baloney!"

The numbers racket

The conventional wisdom in this case is a way of thinking about economics that has held sway in America since the second world war. It is called "quantitative" because it assumes that economic behavior—within corporations as well as in society at large—is best understood through gross "aggregates" such as "supply," "demand," "inputs," and "outputs." Such economists devote their energies to arcane formulas that purport to chart the relationships between these variables—a practice called "econometrics." According to the quantitative model, if you simply discern the correct mathematical relationship between taxes and savings, or capital investment and productivity, you'll know exactly what to do, whether you're a CEO or a president charting the country's economic policy.

Adherents to this world view operate on very rigid premises about human behavior. Consumers, workers, and bosess are assumed to behave in uniformly rational ways, driven always to maximize their "utility" or "profit." A consumer buys a product according to its price. Workers are motivated by their fear of unemployment and their desire to purchase consumer goods; a larger paycheck is the best way to reward their efforts. Markets for a firm's products operate according to fixed laws of supply and demand. In this hypothetically rational world, corporate managers should, first and foremost, focus on their profit margin.

Nearly all the nation's schools of business and public policy base their teaching upon quantitative analysis. Because it is abstruse, and requires much technical training, it is the kind of economics to which the academy attaches the greatest prestige. The first Nobel Prize in economics, in 1969, went for work in econometrics; since then, all but a handful have gone for similar work. More important still, the quantitativemodel has come to dominate the nation's postwar economic policies. The Federal Reserve Board, most recently under Paul Volcker, has long acted on the assumption that the nation's prosperity depends on nothing so much as its own manipulation of various "monetary aggregates." (See "The Cult of M1," November 1983). And what is supply-side economics besides a misplaced faith in the power of cutting marginal tax rates and the efficacy of mathematical models—in this case the infamous "Laffer curve," which first appeared on the back of a cocktail napkin?

Even the economic "recovery" now underway confirms the gross inadequacy of this quantitative model. Given the unprecedented stimulant of $200 billion of budget deficits over the next several years, the economy's growth rate is noticeably sluggish. A few adjustments and much fewer large transfusions of money no longer seem sufficient to keep the economy running at full power. The economic engine needs a major overhaul—and the modern corporation lies at the very heart of the machine.

Invasion of the Profit Snatchers

In Search of Excellence is hardly the first book to challenge the abstract premises of modern economics by examining the way corporations really work. In the early 1930s, for example, Adolph Berle and Gardner Means of Columbia University exploded the widely held myth that a corporation was a mini-republic by demonstrating that it was unelected managers, and not stockholders, who really held the reins in large corporations. In the 1950s and 1960s, John Kenneth Galbraith in *The Affluent Society* and *The New Industrial State* showed how these same corporations did not behave the way free-market theorists said they did. Modern managers increasingly were behaving like the cautious bureaucrats they had in fact become. The resourceful merchant of Adam Smith had been succeeded by The Organization Man.

The Organization Man critique so popular during the 1950s rested upon an unspoken assumption: he was an inevitable, necessary byproduct of the nation's prosperity. But soon, a number of observers began to question whether the Organization Man was such a good capitalist, after all. The view was most vividly—and often humorously—expressed in a 1971 book, *Up the Organization* by Robert Townsend, the former president of Avis Rent-A-Car. Townsend's philosophy was encapsulated in a series of pithy aphorisms. Among his "No-Nos for Corporate Managers": reserved parking spaces, conventions, time clocks, and management consultants. (The latter "are people who borrow your watch to tell you what time it is and then walk off with it.") As for meetings, the "fewer the better"; as for bureaucracy in general, Townsend suggested that

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a vice president be given the assignment of "wandering around the company looking for new forms, new staff departments, and new reports, and whenever he finds one that smells like institutionalization, he screams 'Horseshit!' " Townsend's most important credos stressed individual responsibility and morale-building efforts; "Decisions should be made at the lowest level possible"; "Delegate authority in *important* matters"; and "Compensation should be related as directly as possible to performance."

Townsend's remarkable success at Avis gave much credence to his homey observations. But corporate managers in the early 1970s felt little pressure to change their rigid, hierarchical habits. The economy seemed to be relatively healthy; the scare from the OPEC-induced recession of 1974-75 was short-lived. Few seriously believed that something was fundamentally wrong with how most American corporations conducted their business.

That changed dramatically with the recession that began in 1979. Productivity growth ominously ground to a halt, unemployment climbed, and many analysts began to fear that the sins of the past were finally catching up. In the summer of 1980, an article in the *Harvard Business Review* fired an attention-grabbing salvo across the bow of corporate America. Like *In Search of Excellence,* it came from within the citadels of respectability. "Managing Our Way to Economic Decline" by Robert Hayes and William Abernathy of the Harvard Business School held that the nation's waning economic vitality was linked directly to the rise of a new cabal of corporate managers, many the products of Harvard and other business schools. These managers had little understanding of how products were actually manufactured or marketed; acting more like bankers than industrialists, they were more interested in buying and selling corporate assets—"management by portfolio"—than in developing better products and laying the groundwork for broader markets. Where Japanese and European managers emphasized long-term research and development efforts, America's managers lived from quarter to quarter, if not day by day. Portfolio managers like ITT's Harold Geneen and Bendix's William Agee had elbowed Henry Ford aside as the new role model for America's corporate managers.

Hayes' and Abernathy's insights were extended by many others, two of whom published books shortly after *In Search of Excellence* appeared. *The Next American Frontier,* by Robert Reich, who teaches business and public policy at Harvard's Kennedy School, traces the rise of paper entrepreneurs—the merger lawyers, investment bankers, and various speculators whose efforts amount to nothing more than rearranging existing corporate assets. Paper entrepreneurs are often rewarded handsomely by the marketplace. But by tying up money and business energies that could be spent on increasing the nation's economic wealth, their efforts actually sap the nation's economic vitality.

Lester Thurow, who teaches economics at MIT, takes on a different target: the supply-demand relationship on which much of the "dismal science" of economics is based. *Dangerous Currents* zeroes in on the econometricians. The striking inaccuracy of their well-publicized forecasts isn't due to a few bugs in their computer programs, Thurow argued, but to fundamental flaws in the endeavor itself. These economists have seized upon the profit-maximizing "rational man" model of human behavior because, in theory at least, it's predictable. But as Thurow points out, the models don't work. People often behave in ways that economists consider "irrational." They reject a cheaper product for another made by a company with a better reputation. As workers, people are motivated not just by material rewards, but for reasons like "job satisfaction," a desire to contribute, and a belief their opinion will be listened to. Corporate managers and policy-makers who rely on the econometrician's equations for guidance are like the carpenters who try to build a house on an out-of-square foundation with saws that won't cut squarely. Or, as Thurow concluded, "I am convinced that accepting the conventional supply-demand model of the economy is rather like believing that the world is flat, or that the sun revolves around the earth. You can make a vigorous case, on paper, for both propositions, but hard evidence is more than a little bit scarce."

Wandering managers

In Search of Excellence's contribution lies in first confirming the critique, albeit implicitly, then offering concrete examples of how companies—and the rest of us—can prosper by recognizing the fallacies of the quantitative approach. This isn't to say that numerical analysis is irrelevant—the best companies have their share of planners and accountants—or that the vision Peters and Waterman offer is without flaws. Their study includes too few examples of companies in

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distressed industries, where cheap foreign imports may pose a greater threat than number-crunching CEOs. One wishes the authors had given the important question of worker ownership more attention. There's also a darker side to the all-encompassing "corporate values." An excess of pride in one's enterprise can be dangerous; Texas Instruments—one of the excellent companies—has taken a severe beating in the personal computer market in large part because it's insisted on the in-house development of certain components, rather than buying cheaper, more reliable ones made by others.

But no book can do everything, and in convincingly discrediting the quantitative view of economics as practiced by both policy-makers and corporate managers, *In Search of Excellence* is a book of far-reaching implications. More specifically, it holds important lessons for three major groups: corporate managers, policy-makers, and journalists.

The prescription for corporate managers is the most straightforward. Peters and Waterman don't offer a specific blueprint for all managers to follow, and creating a clearly defined corporate culture obviously takes time. There's no quick fix. But their findings suggest some obvious places to start. Chief executive officers should start acting more like Dana's peripatetic McPherson, whom visitors would often find wandering the hallways, in shirt sleeves, talking to employees. The fact that excellent companies studiously avoid mergers with unrelated businesses should also be taken to heart. As for relations on the shop floor, it's not a new idea that employees will be more productive if they're given more responsibility and encouraged to "talk back to the boss." *In Search of Excellence* simply demonstrates how dramatically important this approach can be.

Still, to think these changes will come easily is to underestimate the inertia of large bureaucracies. A story in *The Wall Street Journal* last December provided a graphic example of the self-protective instincts of corporate managers. The account detailed the efforts of William Buehler, a vice president of marketing at AT&T, to overcome "Bell's rigamarole of endless memos, interminable meetings, and strict chain of command." Buehler, an unabashed enthusiast of *In Search of Excellence*, exhorted his salespeople to keep close to the customer and instituted a compensation system that far better rewarded good performance. But despite dramatic increases in sales among Buehler's employees—and the aforementioned two-day retreat by AT&T executives—the company decided Buehler's experiment was incompatible with the rest of its operations. "The new corporate culture he created," the *Journal* concluded, "has been weakened, if not snuffed out."

As for economists and policy-makers anxious to prescribe remedies for the nation's economic ills, Peters' and Waterman's findings suggest the need to abandon traditional approaches. Government has a key role to play in encouraging economic growth—for example, by changing the tax laws so they encourage investment only in new jobs and corporate assets and don't reward speculation in existing assets. But initiatives from Washington can do little to create a healthy corporate culture that gives workers a feeling that their work is appreciated. "I guess I got laid off because I make poor-quality cars," one former GM worker told Peters and Waterman. "But in 16 years, not once was I ever asked for a suggestion as to how to do my job better. Not once." It's an all too common complaint—but one government has little ability to control.

This is a truth that many economists and policy-makers—conservative and liberal—prefer to overlook, insisting that the solution will come once Washington adopts the right strategy. For example, despite their well-publicized squabble over Reagan's deficits, both Martin Feldstein and Donald Regan assume that the proper mixture of monetary and fiscal policies will return the economy to robust health. (In this key respect, the supply-siders are really no different than the Keynesians they ritually lambaste.) *In Search of Excellence* doesn't shed light on who's right about the deficits, but it does suggest how ill-equipped *both* men are to their task. Feldstein is a quintessential numbers man, whose forecasts have a dubious reputation even among his fellow econometricians. As for Regan, his "35 years' experience in the marketplace"—a credential he recently trotted out to dismiss Feldstein's "library work"—consisted largely of managing real estate investment and speculating in bonds, stocks, and other ventures during his years at Merrill Lynch. Each knows as much about how production processes really work as the other.

Off the beaten track

Improbable as it may sound, *In Search of Excellence* also holds lessons that are as important for the nation's business journalists as the ones it offers to corporate managers and economic policy-makers. The reason is simple: in its ap-

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proach to research, analysis, and in-the-field reporting, *In Search of Excellence* is an exemplary piece of journalism.

For starters, Peters and Waterman did their library work. They draw from a wide range of sources: behavioral psychologists such as B.F. Skinner and Elton Mayo; historians from Max Weber to James McGregor Burns; management theorists from Frederick Taylor to Alfred Chandler. Peters and Waterman present the arguments of these sources, without deluging the reader with details, and explore their strengths and weaknesses before offering their own conclusions. They are also adept at finding comparisons from seemingly unrelated fields; for example, John Steinbeck's belief that any book worth writing can be distilled into one page is compared to Proctor and Gamble's decree that no memo be any longer.

The best journalism can't rely wholly on library work, however. The authors also spent more than two years testing their theories against their own experiences. They gave numerous presentations to corporate executives, and actively solicited further suggestions and criticism. They interviewed dozens of CEOs at their corporate headquarters. But most important, they focused their reporting on the middle-level managers and employees. This approach produced some of their most valuable insights. Peters recalls the time he went to speak with a division manager at Hewlett-Packard and found his office—a 6- by 8-foot cubicle shared by a secretary—empty. The manager had been out on the shop floor for several hours. "It told us a lot about the whole company, why it felt different," Peters says.

Journalists who've focused their efforts on this vague "feel," and on the values and assumptions of the executives who run major corporations, have produced some memorable pieces. Chris Welles, a reporter for the *Los Angeles Times* who also teaches at the Columbia Journalism School, reported last spring on Steve Ross, chairman of Warner Communications. His story painted a vivid picture of Ross's extravagant and erratic behavior, suggesting in the process a major reason why Warner's fortunes—and stock—had plummeted so quickly. Joseph Nocera of the *Texas Monthly* accompanied T. Boone Pickens, the president of Mesa Petroleum, when he went to Wall Street two years ago as part of his unsuccessful bid to acquire Cities Services. No editorial writer who's decried the folly of mergers has captured better the talents, resources, and frantic energies poured into such useless deals.

NEOLIBERAL CONFERENCE TRANSCRIPTS

For three days last October, more than 350 people—among them politicians, journalists, academics, schoolteachers, lawyers, labor leaders, doctors, senators, corporate executives, a judge, and a presidential candidate—got together to argue about the state of the world and to set an agenda for the emerging neoliberal movement.

The conversation ranged over such topics as economic growth, entitlement programs, national security, education, patriotism, entrepreneurship, religion, credentialism, patronage and democratic accountability, and the politics of selfishness. Participants included Governor Bruce Babbitt, Mancur Olson, Michael Kinsley, Kathleen Kennedy Townsend, James Fallows, Senator Ernest Hollings, Hendrik Hertzberg, Nicholas Lemann, Morton Kondracke, Senator Thomas Eagleton, Robert M. Kaus, Taylor Branch, Justice Richard Neely, and the *Monthly*'s editor-in-chief, Charles Peters. (Not to mention Irving Kristol and Victor Navasky, who led a lively session of criticism.)

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And David McClintick's 1982 book, *Indecent Exposure,* detailed the internecine warfare that erupted at Columbia pictures in the late 1970s when a popular executive was caught forging checks. McClintick's portrait of corporate executives maneuvering for power spoke volumes about the petty preoccupations on which large enterprises too often turn.

As the Journal's article on Buehler illustrates, reporters can use *In Search of Excellence* as a useful lens through which to view corporate behavior. An excellent example is a recent story by John Hubner and William Kistner of *The San Jose Mercury*—"What Went Wrong at Atari?"—that traced the company's fall from a corporate wunderkind to a foundering giant that by mid-1983 was hemorrhaging cash at the rate of $1 billion a year. Speaking extensively with former and current officials, and especially with engineers who designed the video games that were Atari's main product, the company they described was a polar opposite of the excellent companies profiled by Peters and Waterman. Ray Kassar, Atari's president during the slide, was an imperious manager who seldom ventured outside his office. When profits began to fall, he became cautious, cutting back on innovative research and concentrating on short-term profits. Previously loyal distributors were slighted and ignored; they later wreaked revenge by saddling Atari with hundreds of millions of dollars in unsold video cartridges. "Numbers were more important than people," lamented one of Atari's founders. "It was profit at any expense."

Still, it is discouraging how seldom business reporting offers such insights. The situation admittedly has improved since the early 1970s, when Chris Welles looked at *The New York Times*'s business page and found it all too typical of most others: "seldom more than a bland, tedious, disorganized, and turgidly written rehash of the previous day's hand-outs and spot news events, mere surfaces and facades bereft of even the most rudimentary of analysis, explanation, color, or perspective." The *Times*'s business page has since more than doubled its staff, and business editors at many other newspapers have followed suit in expanding their coverage. "This is the hot field now in journalism," Welles says.

But numbers, as we've seen, don't always equate with quality. While more reporters are covering business "beats," the result has usually been more news on quarterly earnings, annual reports, economic forecasts, and the Commerce Department's latest estimate of the Gross National Product. In this regard, today's business journalism seems analogous to the political reporting of the early 1960s. Gone were the days when there were so few White House reporters that FDR could convene news conferences in his office. But although more people were covering the government, most reporters remained prisoners of their beats, so inhibited by the grueling pressure of daily deadlines that they seldom ventured beyond the conventional. Dismayingly little of this reporting penetrated into the bureaucracy to reveal the culture and values that lay behind the actions—and failures—of government officials. As it was two decades ago with political journalism, the great unexplored territory of business journalism lies in revealing the inner workings of the economic institutions that have so much influence on our lives. This is where *In Search of Excellence* makes a contribution to journalists: it shows how much can be learned about corporations by bringing an informed eye to the everyday scenes of modern corporate life.

In this regard, the ultimate compliment to *In Search of Excellence* may have inadvertently come from one of its critics. Last fall, Daniel T. Carroll, a business consultant, attacked the book in the *Harvard Business Review* for lacking analytic rigor, being rife with "shoddy" analysis, and, not least, relying on the observations of journalists, former McDonald's cooks, and conversations "overheard. . . in a Palo Alto bar." Instead, Carroll says, Peters and Waterman should have spent more time conducting detailed, analytically rigorous studies.

If this mindset has a familiar ring to it, perhaps it's because Carroll once worked for Robert McNamara, back when he was applying the quantitative approach to our conduct of the Vietnam war. It was McNamara's analytically rigorous, by-the-numbers thinking—exemplified in the daily body counts—that for so long led the public to believe the war was being won. Only later did the true story begin to trickle in, much of it from government analysts and reporters who talked to the soldiers and intelligence officers in the field and compared the official version of the war with the one they were hearing about. The bar-room conversations they overheard weren't in Palo Alto, but in places like Saigon. Still, the result was not dissimilar. Their efforts revealed, just as *In Search of Excellence* does, that we can ignore the chasm between what is really true, and what we hope to be true, only at our peril. ■

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TIDBITS AND OUTRAGES

Those Founding Fathers Thought of Everything

Hal Katz, a senior vice president at Vitt Media International, recently told *Adweek*, "It's fortunate that presidential elections fall on leap years. It gives the networks a whole extra day of commercials to sell."

She Added that the Bill Also Discriminates Against the Irish

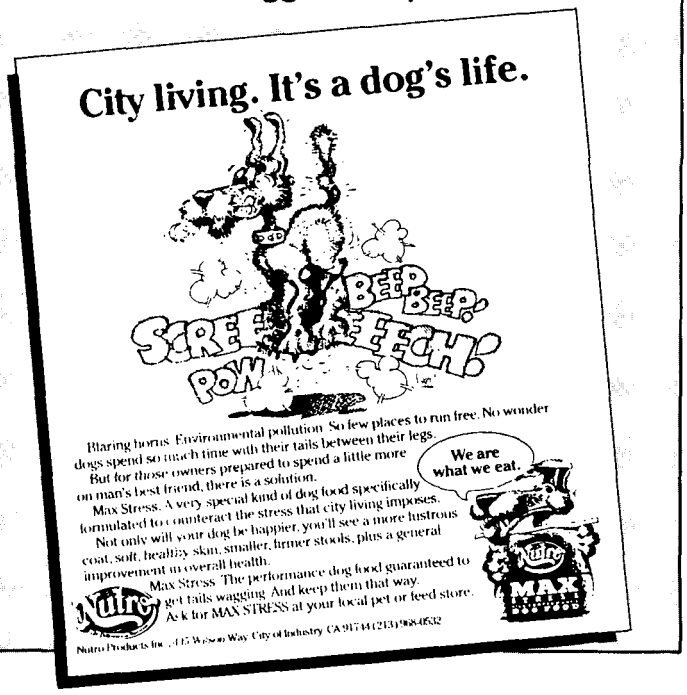
Last fall, the New York City Council passed a bill that would require liquor stores, restaurants, and bars to post warnings that birth defects can result from drinking during pregnancy. The local NOW president, Barbara T. Rochman, wrote a letter to Mayor Ed Koch protesting the bill on the grounds it was unfair "to single out pregnant women as a class." The bill protected the "unborn at the expense of women's freedom" and "could lead to much greater restrictions on women's reproductive freedom," she said.

To Further Stimulate Private-Sector Initiatives, She Just Hired a Deputy Special Adviser

Deborah Szekely is the Special Adviser to the Director of the United States Information Agency for Private Sector Committees. In that capacity, she represents the director on 13 such committees, and is responsible, as she told the *San Diego Union*, "for both their management and productivity."

You Can Learn A Lot in the Back Seat

And It's Cheaper than a Summer at the Doggie Hamptons



The Coroner's Report Indicated that Motion Sickness Was the Cause of Death

In a lawsuit over allegedly faulty Ford transmissions, Beverly C. Moore Jr., the plaintiffs' attorney, filed a pleading captioned: "Plaintiffs' Motion for Leave to File a 'Last Word' Memorandum in Opposition to Defendants' 'Closing Memorandum' in Opposition to Plaintiffs' Reply to Defendant's Reply to Plaintiffs' Surrebuttal in Opposition to Defendant's Reply to Plaintiffs' Opposition to Defendants' Motion to Dismiss the Second Amended Complaint." U.S. District Court Judge June L. Green denied the motion. Moore then filed a "Motion for Reconsideration of the Denial of 'Plaintiff's Motion for Leave to File.'..." Several plaintiffs have died since the suit was originally filed.

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James Fallows
ON POLITICAL BOOKS

Barbara Tuchman has posed an intriguing question in her new book.* Why do governments do so many stupid things? She calls stupidity "folly," or more politely still, "pursuit of policy contrary to self-interest." By that she means the refusal to change course even when—as for both the French and the Americans in Vietnam—the damage done by staying the course becomes obvious.

In the first pages of her book she proposes to study episodes that meet three tests. They must have been seen as unwise at the time, not merely in retrospect; they must have endured past the career of any one leader and have involved the failings of an entire group, not merely of an individual (this excludes lone monsters like Hitler); and their history must contain a path not taken, a sensible but overlooked alternative to the march of folly.

By these standards, she selects three and a half case studies. The three major ones concern the decadence of the Renaissance popes, whose excesses (she says) provided the moral fuel for the Protestant Reformation; Britain's mishandling of colonial America's complaints, leading to the American Revolution; and the United States' intervention in Vietnam. The half-study is a brief, introductory discussion of what Tuchman calls the prototype of folly—the Trojans' decision to let the wooden horse, packed with Greek soldiers, inside their walls.

With the intellectual stage thus set, Tuchman is off on nearly 400 pages of historical narrative. Some of the material, especially the tales of debauched popes, is colorful in its own right. In a few places, Tuchman displays the narrative skill that originally made her reputation. But nowhere in this thick book does she come close to answering the important question she originally posed.

At the gross-anatomy level, the proportions of the book illustrate its difficulties. By my count, the case-study sections are composed of 98 percent retelling of history and 2 percent exploration of the central theme. This may seem like a simple-minded way to judge: obviously, certain kinds of historical narrative develop themes implicitly, without the author's having to sweat up special "what does it mean?" passages. But Tuchman's accounts do not do so. With a few exceptions, which I will mention later, the history here is straightforward survey-course stuff, which develops no discernible argument.

Nor do the narratives offer much original information. This, too, may seem unfair: beyond a certain point, how much new can be said about an event as well-chronicled as the American Revolution? But if such familiar tales are to be told again (in a setting other than a history course), they should serve some purpose, either adding to the reader's understanding of the event itself or acting as building blocks for some larger theme. For me, and I suspect, most readers, the section called "The Renaissance Popes Provoke the Protestant Secession" contained the most surprises. I hadn't known that Pope Innocent VIII appointed a 14-year-old, Giovanni de Medici, to the Sacred College of Cardinals. (True, the boy had always been precocious, having become an abbot at age eight. He also had good family connections, since apart from being a Medici he was the brother-in-law of the Pope's illegitimate son.) "Britain Loses America," which dwells on the personal strengths and failings of William Pitt, Lord North, and Edmund Burke, is well-told but does little to inform anyone already acquainted with the basic story line.

"America Betrays Herself in Vietnam" is the longest section of the book and seems to be its emotional center; I would guess that this was the event that provoked Tuchman to look into the origins of folly. Yet what she has to say about the subject is breathtakingly unenlightening. Can there be anyone in the reading public who does not know that John Kennedy came to office surrounded by war-hardened men whose brilliance led them to think they were more brilliant than

James Fallows is Washington editor of The Atlantic *and a contributing editor of* The Washington Monthly.

*The March of Folly: From Troy to Vietnam. *Knopf, $18.95.*

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they were? Or that Robert McNamara was a demon for numbers, the very Brilliantine of his hairdo bespeaking a desire to reduce all human problems to neat, quantifiable formulations? Or that Adlai Stevenson was perceived as a weak sister, or that most of the crowd except Stevenson had never run for office, or that Maxwell Taylor was the *beau ideal* of the modern soldier/scholar, or that Walt Rostow was a brimming fount of can-do ideas? These portraits had some bite when David Halberstam presented them a dozen years ago, but not any longer, especially when they serve no larger argumentative purpose.

I kept waiting for the one anecdote that would symbolize how derivative the entire account was; it finally appeared, as expected, in the middle of Tuchman's discussion of how Lyndon Johnson raised the stakes. In *The Best and the Brightest*, Halberstam built a novella around the story of John McNaughton, a Harvard Law professor posted to the Pentagon who was torn between his acidly pessimistic view of the war policy and his desire to stay on the inside, to remain a player. The climax of his story involves a famous memorandum, in which McNaughton assessed America's reasons for being in Vietnam and concluded they were "70 percent to avoid a humiliating defeat to our reputation as guarantor." Tuchman quotes that line, and in so doing signifies how much this chronicle is a warmed-over version of others we have read before.

To be sure, the McNaughton story is one of those anecdotes so powerful in its explanatory symbolism that only a saint could resist quoting it again and again. Faithful readers of this magazine know that its contributors are no saints where McNaughton is concerned. (Nor about Chester Cooper: whenever the origins of the Vietnam policy come up, it is hard not to repeat, as I am doing here, Cooper's story of the advisers who screw up their courage to tell Lyndon Johnson that his policy is mistaken, take their places around the big table in the West Wing of the White House, and then hear themselves saying, when Johnson asks each in turn whether he has any complaints about the latest decision to escalate, "No, Mr. President.") But there is a difference between drawing on a canon of bureaucratic history to establish a point and simply floating out the old stories as if their content were news. Retelling the parable of the Good Samaritan for moral instruction may make sense; offering it as fresh information does not.

What is true of her character sketches is true of her policy analysis as well. From the original brushing-off of Ho Chi Minh's entreaties, through Kennedy's alleged intention to pull out of Vietnam—but not until after the 1964 election—to Lyndon Johnson's tragic escalation and Richard Nixon's attempt to ensure a "decent interval" between the American withdrawal and the collapse of Saigon, Barbara Tuchman tells a most familiar tale. I make no claim to having mastered the scholarship of the Vietnam era, but I found almost nothing in these pages I had not read before—most recently in Stanley Karnow's *Vietnam: A History*, but also in any of a dozen other books as well.

I am not trying to suggest that absolute novelty is necessary, or even always desirable as a literary trait. But it may be hard to convey to anyone who has not read this book how little it contains beyond the recitation of facts, and therefore how disappointing the second-handedness of the narrative section is.

It would not be fair to say that Tuchman makes no attempt at analysis. She assigns a large moral to each episode and touches from time to time on several recurrent themes. The large messages are, in brief, that the greed and decadence of the Renaissance popes destroyed the legitimacy of the

QUIET REVOLUTION

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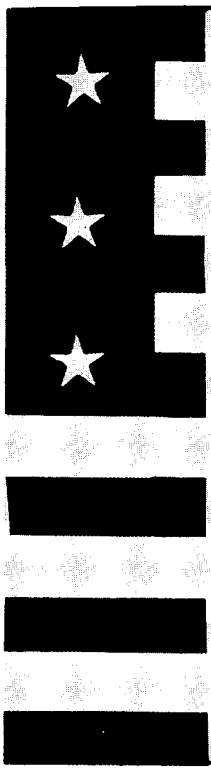
Church; that the ruling class in Britain grievously misjudged the colonials' complaints and thoughtlessly took steps the Americans found intolerable; and that American officials made a stand "against communism" in Vietnam, where there was no true national interest and the odds were all against them.

To me, each of these arguments is sensible enough. What disappoints is that Tuchman does not bother to rebut the possible challenges to them. She makes almost no mention of another development that had much to do with the Reformation: the beginnings of a capitalist economy in northern Europe, which eroded many forms of feudal power, including that of the Church. She is right that the loss of America was a calamity for Britain. But might not the ideological ferment and territorial ambitions in the colonies have made that loss inevitable at some point, even if the sound, conciliatory counsel of William Pitt had prevailed? As for Vietnam, she says that an alternative to folly was always available: the United States could have recognized that Ho Chi Minh was a nationalist above all else and made an accommodation with him. I agree with her, but if I didn't before I began reading I would have found nothing in the book to persuade me. As with the popes and the American Revolution, she asserts that the self-destruction was preventable without pausing to argue her case.

I suspect that Barbara Tuchman stuck with the chronicles of folly—rather than an exploration of alternatives—because she was really more interested in the repeated patterns of misbehavior in goverments that failed. She sprinkles mentions of several of these through the text. Leaders customarily misjudge their adversaries—the Americans' failing to understand, for example, that the North Vietnamese would not give up simply because they lived under a rain of bombs. Governments find it extremely difficult to change a mistaken course, even as the casualites mount; among the reasons is that the information that works its way to a pope, prince, or president tends to reflect the things he wants to hear.

Each of these patterns is important, as readers of this magazine have been amply reminded over the years, but Tuchman is strangely reluctant to enlarge on or connect them. She mentions them in passing as they come up—see, the British were too lazy to understand the Americans' motivations; yes, the popes were blind to the damage their licentiousness did—without digging deeper for clues about why certain styles of government or types of men were more likely than others to succumb to these pathologies. To put it another



The Reconstruction of Patriotism

Education for Civic Consciousness

MORRIS JANOWITZ

In THE RECONSTRUCTION OF PATRIOTISM, noted sociologist Morris Janowitz forthrightly comes to grips with ideas that have sustained considerable battering from intellectual attack –nationalism and patriotism. He redefines patriotism as civic consciousness, meaning not xenophobia or militarism but enlightened nationalism that realizes the interdependency of the world community.

Janowitz calls for a restoration of the once healthy balance between the rights and obligations of citizenship and urges that schools, at all levels, become, as they used to be, agents of civic education. Most controversial of all his assertions is, perhaps: "there can be no reconstruction of patriotism without a system of national service."

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way, her purpose in this book seems to be to *name* the forms of misbehavior rather than to explain or understand them. That purpose, I believe, is related to the basic frame of mind with which she approaches this topic and, I would imagine, much of contemporary life.

How can I speak of a frame of mind? There are several clues in the book. The most important is in the final few pages, an epilogue called "A Lantern on the Stern." At the end of her historical inquiry, Tuchman reveals to us that "rejection of reason is the prime characteristic of folly." The thread that connects the gullible Trojans with the imprisoned LBJ was their refusal to see reason. "Rational thought clearly counseled the Trojans to suspect a trick. . . .The successive measures taken with regard both to the American colonies and to Vietnam were so plainly grounded in preconceived, fixed attitudes and so regularly contrary to common sense, rational inference and cogent advice that, as folly, they speak for themselves."

Well, great. We could use more reason in our government—and probably in our families, our schools, and our publishing industry too. It is contrary to common sense for couples to get divorced, for children to be mistreated, for crime to occur, and for prejudice to persist. But what does it tell us to say that men have sometimes lacked reason? What does it mean to say, as Tuchman frequently does, that we should "learn from history"? Isn't that precisely what Lyndon Johnson thought he was doing—although the history he had in mind was that of Munich, not of Dien Bien Phu? What does it mean about Bundy or McNamara or Rostow to say that they were deficient in reason? In a sense of proportion, perhaps; in a tragic imagination, probably; in an accurate assessment of national interests, certainly; but in "reason"? Never had there been more reasoned explanations of a policy than those advanced in the middle sixties for the Vietnam policy. They turned out to be wrong—their reason was mistaken—but they seemed to their exponents to represent reason in its purest form.

A Tuchman of the 21st century, looking back on our troubled times, would no doubt discern that the crowning folly of the late 20th century was the nuclear arms race. It meets all the criteria: it has persisted from one generation of leaders to another; it is recognized as potentially disastrous even as it happens, not merely in retrospect (retrospect, of course, might turn out to be hypothetical in this case); and it continues even though alternatives theoretically exist, in the

THE WASHINGTON MONTHLY

Journalism Award

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Gaeton Fonzi
Miami/South Florida Magazine

A revealing examination into the operations of one of the most overlooked public bodies: the large airport—in this case, Miami International. Fonzi raises serious questions about the accountability of the airport to the public, whose contributions finance its operation.

Philip Taubman and Joel Brinkley
The New York Times

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NEW!

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by Ronald Berman

Describes the meteoric rise of the National Endowment for the Humanities from a small, unnoticed federal agency to one of the nation's largest grant-making institutions. Chairman of NEH from 1971 until 1977, Ronald Berman offers a unique "insider's view" of the behind-the-scenes maneuvers that resulted in a five-fold increase in Federal funding for NEH during his tenure as Chairman. Through his candid and intimate account, he provides not only a thorough critique of the intertwining of culture and politics in the United States, but a revealing look at the internal workings of the federal government as well.

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form of negotiated disarmament. The arms race, that is, represents a failure of reason. But what does that tell us? The work of bringing different cultures to agreement, breaking mental stereotypes, and convincing mutually suspicious powers to give each other a chance is far more difficult than pointing out folly, and it depends on our understanding the circumstances in which nations and leaders can rise to their best. It depends, that is, on understanding "folly," not simply identifying it as a sort of original sin.

Barbara Tuchman offers no advice in that direction because she seems to think it's a matter of hoping for a better class of person in the government. Today's politicians are debased by greed for money and lust for power. "Lure of office, known in our country as Potomac fever, stultifies a better performance of government." They are not up to the temptations a democratic system presents: "Intelligent government would require that the persons entrusted with high office should formulate and execute policy according to their best judgment, the best knowledge available, and a judicious estimate of the lesser evil. But reelection is on their minds, and that becomes the criterion."

As long as we have elected representatives, reelection is likely to be on their minds—just as revenge and greed and envy are likely to remain parts of the human makeup, no matter what the sermonizers say. The reason they keep giving their sermons is that they know there is a difference between greed that is controlled and greed given free rein; the first leads to acceptable social life, the second to the world of Hobbes. Similarly, in politics there is a difference between a reelection frenzy that eclipses all else (the Vance Hartke variety) and electoral ambition that occasionally bows to other values. The task of creating better politics involves understanding the circumstances that bring out the best and worst in our representatives. It is no solution at all to wish for a different, nobler race of Solomonic leaders.

You have, of course, heard this wish before, from someone other than Barbara Tuchman. It is typically expressed by older members of the good-government clubs, who view more and more of what they see with alarm. (The similarity is underscored by Tuchman's favorite term for misguided leaders—"woodenheaded," a word that instantly evokes a meeting of the Sharon, Connecticut, chapter of Common Cause.) That is the tone of this book and it may say more about the author's autumn view than about the objects of her scrutiny. She did not write this way before. ■

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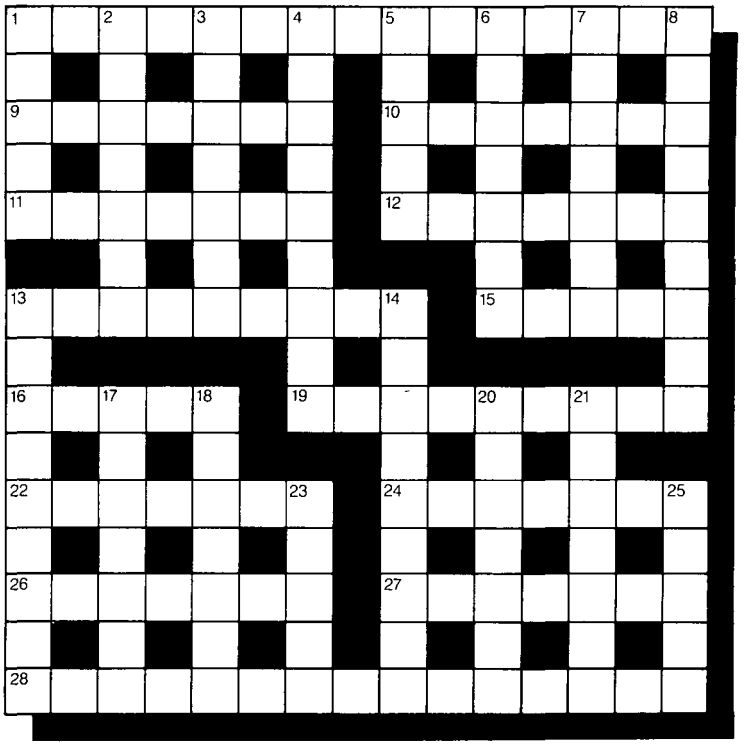
POLITICAL PUZZLE

by John Barclay

The numbers indicate the number of letters and words, e.g., (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word.



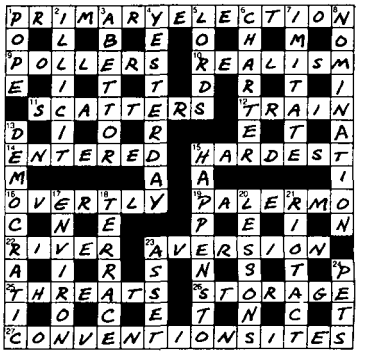
ACROSS

1. Cut tennis great in crazy campaign promises. (8,7)
9. Manage somehow to get a thousand in the last number. (7)
10. Mother's fight for a dog? (7)
11. Simply bashful around misdirected leer. (7)
12. Hint: move the guests around. Gee! (7)
13. Hides again twice what's left. (9)
15. Demonstrated fabric? (5)
16. There's a big difference in WASP literature. (5)
19. Copy changes at hot spot. (9)
22. Puts off vacationing linemen. (7)
24. Distort hatred. Then West produces gunfight advantage. (3,4)
26. Slept through words Ed composed. (7)
27. In Mexico, legislator and I take in food? Just the opposite. (7)
28. Bold bid for linebackers in Reagan's pet cause? (7,8)

DOWN

1. Nudist's fans? (5)
2. Steamships around girdle's first stays. (7)
3. Arranged airing around Mideast country. (7)
4. Naval threat is a disturbance in my sheep. (5,4)
5. Attacks and fails? (5)
6. Plans to put soldiers up in cozy rooms. (7)
7. Distinguished nine met casually. (7)
8. Reagan gave football score and tennis equipment to the poor. . . (6,3)
13. . . .then answered, "Poor needs drop!" (9)
14. Casual clothes for female baseball player. (9)
17. Elevator on vacation at launch time? (4-3)
18. Are melodies popular when he twists dial? (5,2)
20. Pass receiver quite frank with press? (4,3)
21. Arranged interim train destinations. (7)
23. Around fifty a side move furtively. (5)
25. Grown strangely false. (5)

Answers to last month's puzzle:



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POLITICAL BOOKNOTES

The Butcher of Lyon: The Story of Infamous Klaus Barbie. Brendan Murphy. *Empire Books, $13.95.* In late 1943 and early 1944, when it became clear to French Jews around Lyon that the Nazis were systematically slaughtering as many Jews as they could gather, a resistance group was born. One of its major missions was to kidnap and save children who had been placed in the care of a German-sanctioned social agency after their parents had been sent to death camps. For 11 months dozens of Jewish children were snatched from German supervision and given safe haven at a hillside farm in the village of Izieu. Soon enough, though, their refuge was destroyed as two truckloads of German soldiers surrounded the farm and seized 41 of the orphans just days before Easter. They were herded onto the trucks and eventually taken to Auschwitz. None survived.

One of the relatively few existing inculpating documents of the many wartime atrocities in the Lyon district was the telegrammed confirmation to Gestapo headquarters that the Jewish orphans had been rounded up and dispatched to their deaths. It was signed by Klaus Barbie, the head of the Gestapo in Lyon. After the war the French twice tried Barbie for that and other equally heinous offenses and sentenced him to death. But the "Butcher of Lyon" escaped his fate for more than 30 years. A sudden change in the government of Bolivia—a country that had harbored him since 1951—led to his extradition to France last year. Barbie now awaits trial for his crimes; because the new Socialist government has outlawed the death penalty, the maximum punishment he faces is life imprisonment.

How Barbie managed to survive as a free man for more than 30 years is a story that brings shame to virtually everyone connected to the case—especially the American officials who sheltered him, lied for him, and eventually helped him escape to sanctuary in Bolivia as the French closed in on him. The aid our government provided Barbie makes for a painful tale, not so much because genuine malevolence motivated his protectors, but because reasonably well-intentioned American operatives lost their bearings. It is a case study of the kind of moral blindness that organizational expediency, buck passing and save-thine-own-hide actions can foster. In this case, protecting the Cold War operations of U.S. Army Intelligence from embarrassment—more than from penetration—took precedence over bringing justice to one of the worst war criminals of the day.

Almost all the bitter irony of this story has been captured in Murphy's account. The book is everything that Barbie's American saviors were not. It is dogged in probing Barbie's past. It makes moral judgments about him and his worthiness to serve the anticommunist cause. Most of all, it asks the question no one in charge of Barbie ever asked: Is it possible for a person to have done such evil things in the past that he is not worthy of surviving as a free man, no matter how valuable his current services are?

The answer, of course, is an unequivocal yes. The varieties of Barbie's tortures and executions seem to have been limited only by his imagination. He squeezed the trigger often—typically putting a bullet into the back of the neck of some tortured prisoner who was just about to be returned to his cell. Dogs were used in assaults and sexual attacks on women. The rack, electric probes, the knout (a leather ball studded with metal points attached to a long handle) and *la baignoire* (where the victim was placed in a tub, hands bound, his feet tied to a bar that could be yanked to thrust him underwater) were all standard features of his torture sessions. It was after a day of persistent, vicious beating, done for the most part by Barbie himself, that famed French Resistance leader Jean Moulin eventually fainted into death. "He was there," said one of the survivors of Barbie's interrogations, "directing everything." In one of his final acts, it is said, Barbie organized the extermination of hundreds of French Resistance fighters held at the prison he personally commanded.

Even in his most recent comments on his Nazi past, Barbie has been unrepentant. "What is there to regret?" he said to one interviewer. "In a war, everyone kills. In a war, there is neither good nor evil. I am a convinced Nazi. I admire the Nazi discipline. I am proud to have been a commanding officer of the best military outfit of the Third Reich, and if I had to be born a thousand times again, I would be a thousand times what I have been."

After the victory of Allied forces in 1945, Barbie immediately began to act on his notion that his salvation lay in selling his skills as an anticommunist intelligence agent. In short order he became known to operatives in the U.S. Army Counter-Intelligence Corps (CIC), who saw his value because of his wide network of associates in Germany and France. Almost upon introduction, he endeared himself to CIC agent Robert Taylor and became a leader of a large ring of sources providing information to the CIC. Within a month, the canny Barbie had beguiled Taylor, who fended off requests to turn Barbie in to authorities by insisting, "His value as an informant infinitely outweighs any use he may have in prison."

It was a life-saving succor to Klaus Barbie that he learned early in his adulthood how to make himself appear invaluable, in both senses of the word. Because he could ingratiate himself to superiors with good work and sycophancy, they deemed his services helpful. And he could turn the

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coin, making the prospect of losing him seem a lurking disaster by threatening to expose what he knew to the enemies of the organization for which he worked. Barbie's adept exploitation of his position was highlighted when he was jailed briefly for questioning about his wartime activities. He was later released when his interrogators concluded, "His knowledge as to the mission of CIC, its agents, subagents, funds, etc. is too great."

In fairness to Taylor and other CIC officals who relied on him, there was not much evidence available in 1945 that implicated Barbie in war crimes. The Allies had compiled massive lists of wanted war criminals, but the few that referred to the Butcher of Lyon had Barbie listed as "Barbier." Equally as important to Barbie's survival was the abrupt change in the political climate in Europe that turned the Allies' focus away from settling the score with the Nazis to battling communists. Even though there were standing orders to arrest all former Gestapo officials, many, like Barbie, were recruited into the anticommunist crusade.

The understandable desire of most Americans who fought in the war to leave Europe as soon as possible also left counterintelligence in the hands of younger, inexperienced men who did not have the same emotional commitment to punishing Nazis that their predecessors did. They were more prone to rely on sources like Barbie. "They needed Barbie because they were incompetent," former CIC agent James Ratliffe told Murphy. "Any good secret police officer getting into that area of CIC would have been a winner in nothing flat, even if he had murdered 500 babies on the side."

Barbie ingratiated himself to his protectors with equal measures of charm and diligence. One CIC agent, Gene Bramel, described to Murphy how he once saw Barbie and another agent deeply engrossed in conversation at a beer hall. "I picked up my glass of beer and went over," recalled Bramel. "And the most fascinating thing—do you know what they were talking about? Baseball. Barbie wanted baseball explained to him and he was very interested in trying to understand it." Can it be doubted that if the British had picked up Barbie, instead of the Americans, he would have been engaged in similar conversation about cricket?

Protecting Barbie became the overriding concern after his network of field operatives began flagrantly breaking the law—with the encouragement of the CIC—by spying outside the American-controlled zone of Germany. Most of this work was directed against the French, whose security forces were feared to have been penetrated by Soviet-controlled communists. At the same time, the French were bringing pressure on the Americans to turn Barbie over to them. By mid-1950, much of the worst about Barbie's war crimes had surfaced in newspaper accounts, and the French government began to press for his arrest. The CIC operatives' initial response was disbelief that Barbie was capable of such horrors. They protested his innocence; after all, he had "never implied or indicated that he used torture." They accused the accusers of acting out of partisan leftist motives.

Still, the pressures built, evidence grew, and, instead of acting on it, the U.S. government simply furthered the coverup. When the French demanded Barbie be handed over, his CIC handlers lied to their superiors, saying they did not know where he was. As the noose tightened, they took the coverup a step further by arranging for Barbie to escape the continent in March 1951 through a clandestine smuggling operation known as the "Rat Line," run by Croatian dissidents who transported "rats" to South America. It is a grim postscript to Barbie's story that he helped Bolivian security goons organize the same kind of anti-resistance activities that he had perfected in Lyon.

In the end, Murphy is as judicious on the moral questions as anyone can be. He gives due weight to the concerns of the CIC officials that their important activities might be exposed to the Soviets through French communists. But he finds their arguments wanting. Murphy presents an overwhelming case that fear of embarrassing exposure, rather than true security concerns, was the prime motiviation for their efforts on behalf of Barbie.

It would be tempting, but wrong, to dismiss this episode as a regrettable but rare lapse of ethical judgment. What is striking is how often the same kind of moral relativism is applied nowadays in other circumstances. This is true not just in the spy business. It is also true in the criminal justice system, where persons patently guilty of the most serious offenses are routinely freed or merely slapped on the wrist because they can provide information about cases deemed more important, or because their testimony wipes an important, unsolved case off the books. Always the judgment is the same: It is more important to solve our current problem than to address the moral issues of the past. Or, as one of Barbie's American handlers explained it, "There is no such thing as morality or ethics, there is only expediency."

—Harrison Rainie

George V. Higgins of *THE BOSTON GLOBE* says ***The Washington Monthly***:
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The Decline of American Political Parties 1952-1980. Martin P. Wattenberg. *Harvard University Press, $15.* An excellent examination of an important and lamentable development in this nation's history. It is marred, however, by the author's apparent ignorance of the importance of political patronage—or, more precisely, the lack of it—in the decline of the parties. The period from 1952 to 1980 was the time when the states and municipalities became thoroughly civil-serviced, as only a few of them had been before. Since the federal government was already staffed overwhelmingly by career employees, it meant that during these 28 years practically all the jobs that had been available to reward political participation had vanished. The result has been a disastrous division between politics and policy. If you work hard in the gubernatorial campaign, for example, it is unlikely that you will have a chance to put into effect the policies you support. Since your candidate, if elected, will have only a handful of patronage jobs, he will rely mostly on civil servants who have not been out campaigning door-to-door and who thus have not had the opportunity to arrive at political convictions based on a real knowledge of the needs and concerns of the people. And it means that less and less thoughtful people work in politics because they see so little chance to put their thoughts into action.

—Charles Peters

The Diplomats. Milton Mayer. *Doubleday, $17.95.* George Kennan once wrote that errors in foreign policy serve as forerunners for mistakes that will be built on them—and that they therefore incur a cosmic unforgiveableness; but he noted that by the same token errors are a consequence of the mistakes that have preceded them—and from this they derive a certain cosmic forgiveness. It is this fraternity of the unforgiveable and the forgiven that Martin Mayer, having in previous books disposed of the financiers, the hucksters, the educators, and the lawyers who make up our society or put it out of joint, now chooses to write about.

Unlike some of his previous works, where Mayer assumes the persona of the hard-bitten investigator only to deliver far less than he promises, *The Diplomats* offers some revealing insights, as well as moments of humor. One such moment is his description of the arrival in the 1940s of Sir Oliver Franks, the new ambassador from Britain, to the U.S. on the day before Christmas. Franks was pleasantly surprised by a phone call from a local radio station welcoming him and asking him what he'd like for Christmas. The radio program was broadcast the next day, complete with comments from other ambassadors. The French ambassador's wish for Christmas was "peace throughout the world." The Soviet ambassador hoped for "freedom from imperialism for the enslaved peoples of the world." "Finally," said the announcer, "we asked His Majesty the King's ambassador from London, Sir Oliver Franks, what he would prefer this day." And Sir Oliver heard himself say, "Well, as a matter of fact, it's very kind of you. I think I'd quite like a small box of candied fruit."

Mayer would like to see the world's business conducted on a nation-to-nation basis by the career people trained to do it. He says that the United Nations "lives in a politicized fairyland and limits its contacts with anything other than the unreal world of reified nation-states. . . .Giant meetings on the environment, housing, the status of women, world hunger, etc., have produced bad papers, dishonest rhetoric, drunken delegates, overpaid secretariats, [and] boredom beyond the capacity of any but veterans of these engagements to sustain." The General Assembly is an "empty shell within which reverberate the loud voices of beggars pretending to be horsemen." UNESCO is "an essentially negative force with a mission to validate bureaucratic control of intellectual and spiritual activities."

As for the U.S. State Department, Mayer points out that each geographic bureau sees the world as a cell in which the nucleus consists of the countries from its own area. Abroad, our representatives, like those of other countries, are in danger of contracting "localitis"—that is, of identifying themselves with the views of the host country. Mayer points to John Kenneth Galbraith's memoir of his time as ambassador to India. Galbraith's two enemies seemed to be the American ambassador to Pakistan (who was a partisan of that country's interests in Kashmir), and our envoy to Portugal (who urged U.S. support for Portugal's claims to Goa). And Mayer cites, as the classic example of localitis, Andrew Young's statement upon his resignation as U.S. ambassador to the U.N.: "I have sought to represent the less-developed countries of the world to the people of the United States." (Career officers are no less immune to localitis.)

As a tour de force of the world's diplomatic scene, the book ultimately falls short. There are just too many uncovered bases, and the result is a sort of random poking about interspersed with analysis that reflects Mayer's own biases. His training as an investigator does not qualify him to be taken seriously as a sage in world affairs.

Even on the domestic scene, Mayer sometimes fails to probe beneath the surface. In describing the training and development of the American foreign service, for example, he notes that although the Foreign Service Institute decries the tendency of officers to buck everything upstairs, still "the foreign service draws more than its share of mice." What he overlooks is that the service doesn't draw mice, it creates them by placing a high premium on mousehood.

Nobody who knows the foreign service can deny the extremely high caliber of its officers. But bright young people are not immune to the lure of promotion, and the brighter they are the sooner they discover the system's love of conformity. The officer at an

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American embassy files his reports through the ambassador, who is accustomed to the reverence usually reserved for emperors and seven-foot basketball players. And it is a brave young officer who turns in a report with observations that vary from those of the ambassador—or that the ambassador knows do not conform to the picture of reality held by, let us say, a Reagan administration. The personnel folder of the maverick officer will soon be one of many under consideration for promotion by a selection board in Washington. And a sentence in an officer's efficiency rating, ostensibly praising his independence of mind as "sometimes carried to an unusual degree," can stand out like a red flag.

Too many embittered foreign service officers, serving in remote posts like Ouagadougou, know the price of having been right inopportunely. What is surprising is not that the system breeds mice but that it has also produced the likes of Jacob Beam, Charles Bohlen, and George Kennan (although there is reason to suspect that it was too suffocating to keep Kennan). If American diplomacy copes reasonably successfully with the dilemmas of the eighties, it will be because a few eccentrics seem always to work their way out of the gelatinous environment of the State Department.

—*Leonard Reed*

The Supply-Side Revolution: An Insider's Account of Policymaking in Washington. Paul Craig Roberts. *Harvard University Press, $18.50.* It was a "distressing life" to be a "Reaganaut in the Reagan administration," says Paul Craig Roberts about the year and a month he spent as an assistant treasury secretary in 1981-82. You didn't get invited to White House receptions or victory parties. Other administration officials would leak rumors to the press that you were a kook. In short, "The Reagan administration was not a supportive environment for a Reaganite."

Nevertheless, Roberts tells us in

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this feisty book, much was accomplished during his short tenure in government: federal spending was "brought under control" (in case you hadn't noticed) and "incentives to work, save, and invest were. . . restored." Temporary retrenchments may occur, he says, but "supply-side economics will ultimately prevail."

Not surprisingly, the hero of *Supply Side Revolution* turns out to be Paul Craig Roberts himself. The long list of villains, interestingly enough, includes fellow supply-siders Jude Wanniski and Arthur Laffer, and ultimately even President Reagan, who, Roberts suggests, may be "more rhetoric than belief."

Roberts has an unusual "insider's" view of how the political world really works. Corporate PAC money has no apparent influence on policy-making, but an "extraordinary" editorial in the now-defunct *Washington Star* played a critical role in getting the president's 1981 budget passed. As for taxes, Roberts is agin 'em. If taxes there must be, however, Roberts favors a flat-rate national sales tax. The question of who bears the tax burden, he says, is largely "irrelevant."

—Robert S. McIntyre

The Tarnished Door. John Crewdson. *Times Books, $17.95.* The result of three years' reporting for *The New York Times* (which won Crewdson a Pulitzer in 1981), this book is the most readable, sensible account yet available on the emotionally charged subject of illegal immigration.

Crewdson paints a sobering portrait of the Immigration and Naturalization Service, where horror stories of officials making fortunes selling everything from green cards to housemaids abound, and points out that it is sorely understaffed; its duties are executed by a staff of less than half the number of police officers it takes to patrol New York City.

Crewdson also points out the useful distinction between illegal border-crossers (against whom most enforcement is directed, though they are least likely to take jobs away from Americans) and visa abusers—foreign students, tourists, and forgers—who are a more likely threat to American employment.

—Elizabeth Lieman

Why and How Women Will Elect the Next President. Eleanor Smeal. *Harper & Row, $6.95.* This is a sassy tweak on the nose for President Reagan, who, Smeal says, is underestimating the women's vote and will pay a steep political price in 1984 for his opposition to abortion and affirmative action. Social class and economic circumstance play a much greater role in determining the political views of women than Smeal acknowledges in this book on the gender gap. But she corrals an impressive array of convincing statistics to prove that the gap is nevertheless a powerful political lever and offers detailed information on how women can use that clout by organizing PACs, choosing candidates, and running for office.

—Mairi N. Morrison

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Letters

(continued from page 4)

than those laid out in the DARTPAC 'donation guidelines,' have received follow-up letters reminding them that their contributions are being compared to their salaries. If that failed, supervisors invited subordinates to solicitation meetings. Still no response? The final solicitation has been one-on-one, which most PAC managers agree is the most effective fund-raising technique. There's nothing like a veiled reference to being transferred to Minot, North Dakota, to suddenly kindle the spirit of philanthrophy."

Fact: Contribution guidelines were established comparable to those used with The United Way and for a similar purpose, to serve as merely a suggestion. This was stated in every DARTPAC publication. Further, it was made clear beyond a doubt that an employee's contribution was an individual decision and had no effect upon employment. But most important is the absolutely false statement that follow-up letters were sent to contributors based on donation vs. salary. This is just not true.

When DARTPAC was first established, group meetings were conducted within the company for the purpose of introducing and explaining the PAC to eligible executive employees. Thereafter, meetings were organized to update employees on the PAC's activities and other public affairs events. However, the meetings were always held between the DARTPAC officers and eligible employees to insure there was no supervisor to subordinate pressure.

DARTPAC funds were not raised by a three-step process, as suggested, and a one-on-one interrogation approach complete with threats to finally convince individual employees to participate was never contemplated, let alone ever used.

Dart Industries had many out-of-the-way locations but not Minot, North Dakota.

Goldberg: "Approximately 83 percent of Dart's executives contributed to its PAC in 1978. . .and in 1980 the average contribution was $1,030."

Fact: We would be proud to claim 83 percent participation but in truth, only 20 percent of the eligible management employees solicited contributed to DARTPAC. It has always been the PAC's goal to increase participation by the number of active individual employees contributing while the size of their contribution remained secondary.

Goldberg: "DARTPAC'S statement of principles pulls no punches. . . . The problem is, the employee who turns over $1,000 to his corporate PAC has no control over the purposes to which it is put, and some of those purposes may be contrary to his beliefs."

Fact: It is correct that the PAC's objective is clearly stated so as to leave no doubt in a contributor's mind as to how their funds will be disbursed. By definition, the objective of a PAC represents the primary reason an individual chooses to become involved—a PAC is a vehicle that provides people of similar occupations or mutual interest the opportunity to join together in the political arena in support of those who share their views and are sympathetic to their cause. Additionally, DARTPAC emphasized and encouraged employee participation in the distribution of funds through candidate recommendations and each election cycle a detailed report was distributed highlighting all receipts and disbursements.

Throughout the article, Mr. Goldberg often refers to responsibility, accountability, and clear ideas. Reflecting on his reporting and writing from our perspective, he has demonstrated a need to review the meaning of these thoughts and apply them to his own work.

JAMES O. LINDBERG
KRISTI A. GILLET
Los Angeles, California

James O. Lindberg and Kristi A. Gillet are chairman and treasurer, respectively, of Dart and Kraft PAC (formerly DARTPAC).

The author replies:

On August 15, 1978, a letter signed by Justin Dart, chairman and CEO of Dart Industries, and Tom Mullaney, the company's president, went out to certain Dart employees that said, "We hope that in this year's drive you will increase your contribution [to DARTPAC] to the level of the suggested guidelines, or higher." Since the letter implies that the recipient didn't meet the level of the suggested guidelines in the previous year, it seems reasonable to conclude that somebody had sat down and compared the PAC donations of Dart employees with the guidelines (which were based on salaries) and then targeted the stragglers for this special appeal. As for Dart's claim that employees were never solicited for PAC contributions by their supervisors and never one-on-one, I wonder why Justin Dart sent a letter to supervisory personnel at the company that said, "[we] are looking for you to present the case [for contributing to DARTPAC] to your people in your own way," and why DARTPAC stated in a letter to a consulting firm that "All techniques [for solicitation] are used; personal contact is the most effective." Through an error in editing, the word "senior" was omitted from my reference to the 83 percent of Dart's senior executives who contributed to DARTPAC in 1978, and I apologize for any confusion that resulted. The fact remains that in the Machinists lawsuit I cited in my article, Dart's own lawyers agreed that the 83 percent figure is correct when "senior executives" is defined as the company's president, CEO, executive vice presidents, and all vice presidents—18 out of 22 people. Finally, I never suggested in my story that employees had been overtly threatened; merely that the pressure, verbal or tacit, is there, and that employees can't help but feel it. I can't resist adding that my allusion to "a veiled reference to being transferred to Minot, North Dakota" was obviously a joke, and that Dart & Kraft's fussy denial that it has a branch office there betrays the same literal-mindedness that it brings to the question of whether it shakes down employees for PAC contributions.

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Tilting at Windmills

(continued from page 11)

their superiors and subordinates in that chain of command mean that they are unlikely to concede that serious error has been made by anyone in the chain. On the other hand, if they are assigned to do an independent report, they take the assignment seriously and often do a commendable job. Remember, to cite another example, the Peers report on My Lai....

The other day Ann Landers got a letter that said: "I have just talked with my son, an intern in a large, prestigious hospital. Jay is exhausted to the point of being unsure about everything, including his ability to make decisions. The 100-hour weeks, the 40-hour shifts and the constant stress and pressures of modern-day medicine are taking their toll not only on him, but most interns and residents.

"Please ask your friends in the medical world the purpose of such training. Surely they can't believe that a doctor can be mentally alert when he is fatigued. I certainly would hate to have my life depend on a person who had gone without sleep for two days and a night."

Ann Landers, who is usually shrewder, unquestioningly accepted the medical profession's answer that "rarely is a life-and-death decision made by an intern or resident who has been without sleep for many hours." Anyone who has been around hospitals very much knows this is a blatant lie. Ann's medical adviser went on to say that most young doctors "would rather take care of patients than eat or sleep." That, too, is a lie. Most of them bitterly resent the slavery of internship and residency. The experience leaves them with a lifelong self-pity, which they use to justify their high fees—"If you knew what I had to go through"—and a sadistic determination to see that future generations of medical students suffer just as they did.

There is a simple solution to this problem: require all the senior physicians who practice at a given hospital to take one night-duty assignment a year. In most cases that would permit sensible and humane schedules for the younger doctors and break the insane chain of self-pity that now distorts the attitudes of the entire profession....

—Charles Peters

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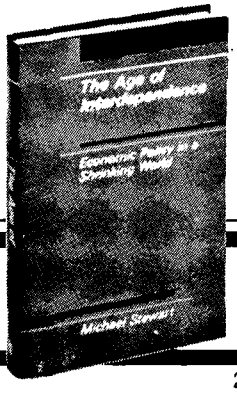

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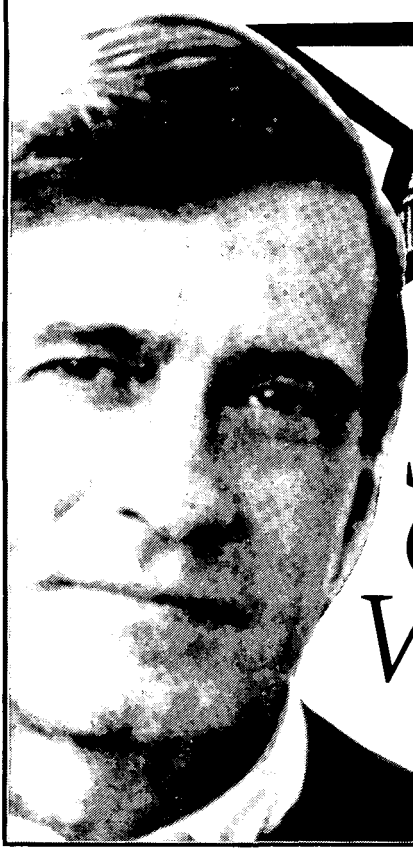

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